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AGENTS :

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I. — Summary of the Month.

The work of the League increased considerably during the month of January, with two cases sent to the Court, the so-called Mosul question referred to the Council, and the Council, the Council Sub-Committee on Austria, the Committee of Control of Austria, and the Economic, Health, Transit, and Opium Committees in session. The Permanent Court of International Justice was called in extraordinary session at The Hague to consider the international dispute referred to it, namely, that between Great Britain and France as to whether or not the Nationality Decrees of the French Government, the Bey of Tunis and the Sultan of Rabat, and their application to British subjects, are matters of purely French domestic policy. The cases of both Governments were stated in public sessions, and the Court's opinion will probably be given during February.

Another important international question was submitted to the Court during the month, when the four so-called "Principal Allied Powers", Great Britain, France, Italy and Japan, brought a case against Germany for having refused passage through the Kiel Canal to S. S. *Wimbledon*. The four Powers claimed that this refusal was against the provisions of the Treaty of Versailles affecting the Kiel Canal, and, under the authority given in that Treaty in this particular case, have arraigned Germany before the Court. This is the first time in history that a sovereign State has been so arraigned before an international tribunal.

Similarly, Lord Curzon, British Foreign Secretary, brought before the Council of the League the case of the disputed frontier between Turkey and Iraq, which was then under discussion at Lausanne and which is commonly known as the Mosul case. Lord Curzon acted under Article XI. of the Covenant giving States Members of the League the right to call the attention of the Council to any question affecting world peace. The matter was forthwith placed on the agenda of the Council session scheduled for the last days of the month.

The Economic Committee, at its seventh session at Geneva, drew up detailed plans for the convening of an International Customs Formalities Conference on October 15th next. A series of preliminary measures to bring together the great amount of data necessary was initiated forthwith.

The Health Committee, at its fifth session in Geneva, took a series of important decisions regarding many lines of its work. The German member was present for the first time, and the Soviet Commissar of Public Health, who attended as a result of an agreement concluded at Genoa, reported on the situation in Russia.

The Opium Committee also met during the month to consider the results of investigations already made and on the next steps to be taken. Amongst other decisions, four different methods were agreed upon of estimating the amount of opium and other drugs the world needs for its legitimate medical and scientific uses. The United States was represented for the first time at this session.

Finally, in the last days of the month, the Austrian Committee of Control and the Austrian Sub-Committee of the Council met in Paris to consider, first, the steps taken by Austria towards her reconstruction along the lines of the Geneva Protocols, and, second, the steps taken and to be taken outside of Austria for the guaranteeing and the raising of an International Loan.

On the 29th, the Council met at Paris for its twenty-third session. In addition to the questions already mentioned, there were a series of points to be discussed regarding the Saar Valley, Danzig, Minorities, Health, Opium and other League activities.

II. — The Permanent Court of International Justice.

1. THE CASE OF S. S. *Wimbledon*.

The diplomatic representatives at the Hague of the Powers designated in the Treaty of Versailles as "the Principal Allied Powers", through the intermediary of the French Minister, have filed with the Registry of the Permanent Court of International Justice an application instituting proceedings in the case between Germany, Britain, France, Italy, and Japan, acting jointly, on the one hand, and March 21st on the other hand, concerning the refusal of the German authorities on

Notice of 22d, to allow S. S. *Wimbledon* to have free access to the Kiel Canal. The case was sent by the Registrar to Germany and to other States which have ratified the Treaty of Versailles, and through the Secretary-General of the League of Nations, to all States Members of the League.

The applicant Powers take their stand upon Article 380 of the Treaty of Versailles, according to which "The Kiel Canal and its approaches shall be maintained free and open to the vessels of commerce and of war of all nations at peace with Germany on terms of entire equality".

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The case has been submitted to the Court under the terms of Article 386 of the Treaty of Versailles, which refers, "to the jurisdiction instituted by the League of Nations", and which corresponds with Article 37 of the Statute of the Court, according to which the "tribunal to be instituted by the League of Nations" will be the Court.

This is an event of very considerable importance because it constitutes the first example in history of the arraignment before an international court of a sovereign state by one or more other sovereign states.

2. EXTRAORDINARY SESSION OF THE COURT.

At the request of the Council of the League, the Permanent Court of International Justice met in extraordinary session on January 8th, for the purpose of giving an advisory opinion on the question "whether the dispute between France and Great Britain as to the nationality decrees issued in Tunis and Morocco (French zone) on November 8th 1921 and their application to British subjects is, or is not, by international law, solely a matter of domestic jurisdiction (Art. XV. paragraph 8 of the Covenant of the League of Nations)" (1).

It may be of interest in this connection to give a brief outline of the question at issue and of its history.

The nationality decrees. — The nationality decrees referred to were four in number—two issued by the French Government, one by the Bey of Tunis and one by the Sultan of Rabat. The decrees of the two native princes declared to be Tunisian or Moroccan, respectively, all persons born in Tunis or in the French zone of the Shereefian Empire, respectively, of parents likewise born there, except citizens, subjects or "ressortissants" of the protecting power. The French decrees conferred French nationality on the persons born in Tunis or in the French zone of the Shereefian Empire, respectively, of parents of whom one was justiciable as a foreigner by the French tribunals of the protectorate and was born in the protectorate.

These decrees came into conflict with the British Nationality Legislation, which claims as natural-born British subjects the children born abroad of British parents, who are themselves born within His Britannic Majesty's allegiance, and also the grand-children, born before January 1st, 1915, of such parents.

When therefore the French Government, applying the decrees, treated as French subjects persons in Tunis of Maltese origin and claimed by the British Government to be British subjects—amongst other things calling upon them to perform military service in the French army—the British Government protested against the decrees being so applied.

The British Government was represented at the extraordinary session of the Court by Mr. George Mounsey of the Foreign Office, as agent, and by Sir Douglas Hogg, Attorney-General, and Sir Ernest Pollock, formerly Attorney-General, as Counsel; and the French Government by M. Mérillon, Procurator-General at the Cour de Cassation, and M. de Lapradelle, professor of International Law at the University of Paris.

By common consent between the representatives of the two Governments, the British point of view was stated first to the Court by Sir Douglas Hogg. M. de Lapradelle, replied on behalf of France, and Sir Ernest Pollock spoke on behalf of Great Britain. M. Mérillon spoke last on behalf of France.

First Hearing. — In the course of his pleading, Sir Douglas Hogg particularly emphasized two points: on the one hand, the question before the Court is clearly defined, in Sir Douglas Hogg's opinion, by the Resolution of the Council of the League of Nations of the 4th October, 1922. It is not a question, at this stage, of

(1) See *Monthly Summary*, vol. II, no. 11, p. 278.

deciding whether the Nationality Decrees were justified or no, or whether Great Britain can rightfully protest against these Decrees.

Great Britain, having brought the question before the League of Nations, by invoking Article XV. of the Covenant, the French Government declared that paragraph 8 of this Article applied. This paragraph runs as follows :

"If the dispute between the parties is claimed by one of them, and is found by the Council, to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement."

In other words, the only question now before the Court is whether the fact of France having imposed French nationality, with its resulting obligations on persons whom Great Britain claims as British subjects is a question which by international law is a question solely within the domestic jurisdiction of France, in accordance with paragraph 8 of Article XV. of the Covenant.

In the second part of his pleading, Sir Douglas Hogg endeavoured to show that paragraph 8 did not apply to the present case; consequently that the question now before the Court was dependent for its solution on international law, and not within the domestic jurisdiction of a State.

Sir Douglas Hogg was of the opinion that, on the true construction of paragraph 8 of Article XV., the limits of that paragraph do not go beyond internal matters within the territory of the State in the ordinary and current meaning of the words. Moreover, it could not be disputed, that the question, whether a matter is, or is not, within the domestic jurisdiction of a State, must be decided on the basis on the principles of international law.

Referring, then, to the principal documents with regard to Tunis and Morocco, —the Treaty of the 17th July 1875 between Great Britain and the Bey of Tunis, the Treaty of Bardo of the 12th May 1881, and of Karsa of the 8th June 1883 between France and the Bey of Tunis; the Convention between France and Italy of the 28th December 1896; the Convention between Great Britain and France of the 18th September 1897; the Treaty of the 9th December 1856 between Great Britain and Morocco; the Declaration of France and Great Britain of the 8th April, 1904, etc. —Sir Douglas Hogg remarked that the considerations to which these documents might give rise and the constructions which might have to be placed on them, whether these constructions were favourable to the British or to the French case, were beyond the limits of considerations or constructions which might arise from a matter which was solely within the domestic jurisdiction of a State, and that they necessarily implied an appeal to principles of international law.

Whatever the arguments advanced by France may be, and whatever reply Great Britain may make, whatever idea one may form as to the merits of the objections raised by France to the replies of England, "there is no doubt that such arguments, such replies, such objections raise questions of international law and questions of treaty construction. Consequently, in the submission of the British Counsel, the reply to the question raised by the Council of the League of Nations should be in the negative, and the interested Governments should have to decide, in agreement, as to the manner in which the questions should definitely be settled, as was provided by the Resolution of the Council".

Second Hearing. — On behalf of the French Government, M de Lapradelle maintained that France, in issuing the Decrees of November 8th 1921, had merely exercised her legislative powers in regard to nationality questions.

No doubt Article XV. of the Covenant laid down that all disputes between States which were not settled either by arbitration or by judicial decisions (reference to the Court of Justice) must be submitted to the mediation of the Council.

There was, however, a class of disputes which could not be dealt with by these methods of settlement; i. e. those referred to in paragraph 8 of article XV. The history of paragraph 8 proved, in Mr. de Lapradelle's view, that disputes regarding nationality came within the class of exceptions provided for in that paragraph. Paragraph 8 owed its origin to the American people's desire to reserve a certain number of questions in regard to which it considered the intervention of the League of Nations to be unacceptable—such as tariff, immigration and naturalisation questions.

Immigration and naturalisation were expressly referred to in the discussions which took place in America, regarding the League of Nations, as between Members of the League of Nations; therefore questions regarding the nationality of persons should be considered, in the absence of conventions to the contrary and within the precise limits of such conventions, to be excluded from the competence of the organisations and the application of the procedure instituted by the League of Nations.

On the other hand, said Mr. de Lapradelle, the conclusion was to be deduced from the principles of international law that the determination of nationality was left to the authority which exercised supreme power within the territory in question. Moreover, as regards jurisdiction, the territory of Tunis must be regarded as an extension of French territory. It followed, therefore, that France, the territorial public authority in Tunis, had the right to determine the nationality of persons within that territory by virtue of the principle already enunciated *jus soli*.

This notion, which might be called nationality on the basis of services rendered, constitutes the basis of nationality *jure soli*. Mr. de Lapradelle went on to assert that the extension of French nationality to the Anglo-Maltese community in Tunis was in accordance with the sentiments and desires of that community.

The territorial sovereign, the Bey of Tunis, had for his part the right to promulgate a decree transforming foreigners into Tunisians. The legislative competence of the Bey was indeed incontestable, for the Powers had renounced the exercise of their capitulatory jurisdiction in his favour.

Moreover, the agreement, according to which the persons mentioned in the Decree of 1921 had been endowed with French nationality, was an agreement between the Protecting State, France, and the Protectorate, Tunis, and was therefore an agreement in which no third party had anything to say.

From these arguments Mr. de Lapradelle deduced that the Anglo-French dispute, regarding the application of the Decree of November 8th, 1921, related to a question which, according to the general principles of law, did not present that international character, which was the sole basis of the competence of the League of Nations. The question could only be treated as an exception to the general rule and removed from the domain of domestic law to that of international law, were Great Britain to invoke some special legal justification such as a treaty, convention or agreement.

The French Government, however, held that no special treaty existed enabling those whom Great Britain considered to be her subjects to escape the extension to them by the territorial public authority of its nationality.

The Tuniso-British Convention of July 19, 1875, must be considered as abrogated, even as regards relations between Great Britain and the Bey of Tunis. The most favoured nation clause inserted by Great Britain in the arrangement concluded with France on September 18th, 1897, with regard to Tunis, was of an exclusively economic character and could not be considered as extending to Anglo-Maltese the right, guaranteed to Italians by the Franco-Italian Treaty of 1896, to retain in perpetuity their nationality by descent in Tunis.

As regards Morocco, it was true that the British Government still retained her consular jurisdiction there on the ground that the Franco-German Convention of 1911, regarding Morocco, to which Great Britain had adhered, provided for the substitution of French Courts for the Consular Courts only after agreement between the Powers, and this agreement had never been concluded, although a draft conven-

tion on the subject had been negotiated (1). The French Government, for its part, was of opinion that, by adhering to the Franco-German Convention of 1911 relating to Morocco, Great Britain had undertaken to abolish her territorial jurisdiction as soon as the French judicial reforms in Morocco had been carried out.

This reform had been complete for some time and Great Britain, therefore, should, like the other Powers, abandon the privileged judicial regime of the capitulations, at all events as regards persons.

Third Hearing. — At this hearing, Sir Ernest Pollock, former Attorney-General of Great Britain, dealt with the main features of M. de Lapradelle's speech, and declared that he wished to confine his remarks to the question as laid before the Court by the Council resolution, which, in his view, was whether the dispute was solely within the domestic jurisdiction of France or was, on the other hand, a question of international law.

Great Britain did not deny that the determination of nationality was one of the attributes of sovereignty, but declared that the rights possessed by France in Tunis and Morocco were based on treaties which did not confer upon her this attribute of sovereignty. Moreover, the modalities of the sovereignty of the native princes was also determined by the treaties; in the third place the possibility of combined action by France, and Tunis or Morocco in the exercise of the right to legislate in questions of nationality also depended on treaty provisions.

It thus appeared that all these questions were questions of international law which could not be within the exclusive competence of a State.

Fourth Hearing. — M. Mérillon, Procureur-General of the Cour de Cassation of France, terminated the public hearings by the submission of a number of observations upon the English thesis.

Whereas the British Government wished to restrict the question put to the Court by the Council of the League to the narrowest possible limits, the French Government considered that the Court, in rendering its opinion, should study all aspects of the dispute which had given rise to the question put by the Council.

Neither an examination of the treaties nor a reference to the general doctrine of Protectorates led to the discovery of any obstacle to the application upon the territory of the Protectorate of the dominant principle by virtue of which a State, in its own territory, possessed the right to decide nationality questions. This was true as regards both Morocco and Tunis.

It was not a private interest of her own which led France to take this view; in the present case, France was defending the general interests of civilisation, which were intimately connected with the exercise of the Protectorate, and the interests of powers situated in similar circumstances.

At the termination of this hearing the representatives of the Powers concerned filed their final conclusions in writing.

III. — General Questions.

I. REGISTRATION OF TREATIES.

Among the treaties presented during the past month for registration and publication figures an arbitration convention between Norway and the United States of America regarding the claims of Norwegian shipowners, which communicated to the Secretariat by the Norwegian Government.

The British Government has presented for registration a treaty concluded with Afghanistan on the establishment of neighbourly relations, and a supplementary

(1) The French Government made full reservations with reference to the publication by the British Government in its counter-case of the text of this Convention without having obtained the previous consent of the French Government.

Extradition Convention between the United Kingdom and the United States of America.

2. THE LATIN AMERICAN OFFICE.

The Latin American Office of the League Secretariat has been definitely constituted and entered upon its functions on January 1st, 1923.

As a result of an exchange of views between the South American delegates to the third Assembly and the Secretary-General, Geneva has been chosen as the seat of the office. In addition to a member of the permanent staff, drawn from Uruguay, the Secretary-General has appointed two non-permanent members from Panama and Venezuela to complete the personnel of this bureau.

IV. — Technical Organisations.

1. THE PROVISIONAL ECONOMIC AND FINANCIAL ORGANISATION.

a) Seventh Session of the Economic Committee.

The seventh session of the Economic Committee took place at Geneva from January 20th to 23rd. The agenda-list included certain questions relating to the equitable treatment of commerce, the examination of which was referred to the League under Article XXIII. of the Covenant, and recognised by the Genoa Conference as particularly urgent and important.

The following members were present :

M. PIRELLI, Chairman	(Italy).
M. Barboza CARNEIRO	(Brazil).
M. DVORACEK	(Czechoslovakia).
M. HEER	(Switzerland).
M. MATSUYAMA	(Japan).
M. SERRUYS	(France).
Sir Hubert Llewellyn SMITH	(Great Britain).
M. van der CRUYSEN	(Belgium).

The Chairman of the Economic and Financial Commission, M. Gustave Ador attended the meeting.

International Conference on Customs Formalities. — The Economic Committee considered what measures should be taken to convene an International Customs Conference, the scope of which would be confined to questions of customs formalities and would exclude questions of tariff and contractual policy.

Since last September, much has been done through the agency of the several members of the Economic Committee to prepare detailed commentaries on the programme drawn up by the Committee with a view to facilitating the work of the Conference. As, however, it is possible that the experts of certain European States may experience some difficulty in completing their study of the programme in the time originally contemplated, the Committee has decided to propose to the Council that the Customs Conference should be summoned for October 15th, instead of in Spring as first intended. This would, moreover, greatly facilitate the cooperation of Latin American States, the representatives of which may be detained some time at the Santiago Conference (March 1923).

Invitations will be addressed to all States Members and, with the approval of the Council, to Non-Members of the League. The invitations will be accompanied by the text approved last September by the Council and the third Assembly, which is to serve as basis for the programme of the Conference. The Committee is anxious that all States represented at the Conference should have ample time, before the

departure of their delegates, to study the final documentation which the Committee intends to submit to the Conference. The participating States are therefore requested to communicate in time for inclusion in this documentation any observations their experts and the interested bodies may wish to make on the programme of the Conference.

The Committee decided to propose to the Council to invite the International Chamber of Commerce to attend the Conference in an advisory capacity without right of vote. This organisation instituted some time ago an international consultation of representatives of commerce and industry on similar matters to those figuring on the agenda of the League Customs Conference. The Committee does not wish to imply that it will abandon the League's practice of consulting Governments and, by their intermediary, all competent economic organisations; it merely considers that specially qualified international organisations, in certain circumstances, should be associated in an advisory capacity with the technical work of the League, as was the case at the Barcelona Conference.

Arbitration Clauses in Commercial Contracts. — The proposal of the Economic Committee, regarding the recognition by States Members of arbitration clauses, was approved by the Council and the third Assembly. In order to obtain practical results of its efforts in this direction, the Economic Committee has worked out a draft-convention by which Signatory States would agree to respect compromissory clauses in commercial contracts. With the approval of the Council and after expert examination, the draft-convention will be submitted to the States Members of the League, and a proposal will be made to the Assembly to present for the signature of intending adherents a protocol based on the draft-convention.

Bills of Exchange — The Economic Committee had decided to refer to a Committee of Experts the question of the unification of legislation concerning bills of exchange. Dr Joseph Jitta, chairman of the Royal-Dutch Commission for Private Legislation, Professor Lyon-Caen (France), and Sir Mackenzie Chalmers have been appointed to sit on this Committee. As the German legislation in the matter of bills of exchange has been widely adopted in Central Europe, it is suggested that a German expert should be called in to take part in the preliminary work.

Miscellaneous Questions. — Finally, the Committee took a rapid survey of the work in hand. It noted information from Governments on the questions of unfair competition, the treatment of foreign nationals and enterprises, goods in ports, etc. An exchange of views took place on a proposal made during the third Assembly by M. Zumeta (Venezuela) regarding the protection of consumers in the matter of worthless goods. The Economic Committee approved the programme drawn up by Committee on Statistics at its Hague meeting.

b) *The Committee of Experts on Statistics.*

The Committee of Experts on Statistics held its first meeting in The Hague on January 10th and 11th. This Committee grew out of a joint meeting in London on December 4th and 5th of representatives of the Economic Committee of the League of Nations, the International Labour Office and the International Institute of Statistics, to discuss what practical measures might be adopted to increase the comparability of methods in use in different countries in the compilation of economic statistics.

This question was raised some time ago at the Genoa Conference, which referred it to the League of Nations. The Economic Committee of the League advised the Council that, in its opinion, it would be desirable to obtain the considered opinion of the International Institute of Statistics as that Institute had been specially founded to promote uniformity in international statistical methods.

At the joint meeting in London the appointment of the Committee of Experts

was decided upon in order to draw up memoranda on different fields of statistics to be submitted to the meeting of the Institute in Autumn 1923. This Committee, at its meeting at the Hague this month, discussed the general programme agreed upon in London and selected a series of Sub-Committees to draw up preliminary reports on the various fields of statistics in which the programme divides itself. These reports will be discussed in detail at the next meeting in June.

c) *The Financial Reconstruction of Austria.*

The Committee of Control of the Guarantor States met at Paris on January 27th, with M. Pantaleoni (Italy) in the chair. It examined the Austrian proposals regarding a loan, which were presented by the Commissioner-General of the League at Vienna, and noted the explanations furnished by the Commissioner and the Austrian financial experts.

On January 29th, The Austrian Committee of the Council, which is composed of representatives of Austria, France, Great-Britain, Italy and Czechoslovakia, began its session, presided over by Lord Balfour. The Commissioner-General attended the meetings.

The Committee had to consider the report of the League Provisional Delegation on its work at Vienna and the first monthly report of the Commissioner-General.

2. THE PROVISIONAL HEALTH ORGANISATION.

a) *Fifth Session of the Health Committee.*

At its fifth session, held at Geneva from January 8th to 13th inclusive, the League Health Committee dealt with a weighty list of agenda and welcomed its new German member, Professor Bernard Nocht, Director of the Hamburg Tropical Institute.

Dr. Semyashko, Commissar of Health for Soviet Russia, also came to Geneva, where he discussed the health situation in Russia with the members of the Committee, who sat as the international commission created in virtue of the agreement concluded at Genoa with the Soviet Health authorities.

Interchange of Public Health Personnel. — The Committee decided to hold the next experimental course in the interchange of health personnel in Austria and England. The first course just concluded in Belgium and Italy had proved so successful that it was decided to use it, broadly speaking, as a model for the second experiment, which similarly should be allowed a total period of three months (six weeks each in England and Austria) and include a series of lectures, visits to health institutions of all kinds, and a period of practical apprenticeship to some branch of the health service of the country visited. For the latter purpose the medical officers taking the course are separated into small groups and scattered over the country. Nineteen States have been asked to take part in this second course, namely :—

Austria	Great Britain	Russia
Belgium	Greece	Spain
Canada	Hungary	Sweden
Czecho-Slovakia	Italy	United States
Denmark	Norway	Yugo-Slavia.
Finland	Poland	
France	Rumania	

The Committee decided that during the first year these courses should be regarded as tentative and experimental. It was decided that four courses should

be held during 1923, two for general officers of health and two for specialists — in one case for assistants from hygienic laboratories, and in the other for medical officers that specialise in the fighting of malaria.

Before the end of the session a telegram was received from the Italian Minister of the Interior, Signor Finzi, authorising the holding of an anti-malaria course in Italy, where the combating of this disease has developed into a highly perfected portion of the public health service. This course will be of special interest for several European countries, including Russia, where malaria, partly in tropical forms, has spread from Turkestan and the Volga region far to the north and west of the country, as was explained by Dr. Semyashko. The following countries will be invited to send medical officers to the course in Italy. —

Albania	Holland	Yugo-Slavia
Bulgaria	Poland	United States
Greece	Russia	Algeria.

The Committee decided to hold a third collective course in the United States, as one of its objects is not to restrict the interchange of public health personnel to Europe.

Health Administration of Waterways. — The Health Committee began an entirely new line of work and gave a fresh illustration of how the various technical organisations of the League work together when it approved the findings of a joint sub-committee, made up of members of the Transit and Health Committees, on the question of establishing certain minimum standards for the health administration of waterways. The war, by establishing many new states and altering frontiers, has multiplied the number of international waterways in Europe. At the same time the epidemic condition of Russia and the general post-war conditions make it doubly necessary that there should be effective measures against the spread of infectious diseases along waterways. For this purpose the joint sub-committee laid down certain principles as regards the duty of health administrations of riparian States to notify promptly and frankly the existence of a disease, to avoid obstructing commerce and circulation by burdensome charges or restrictions, while maintaining a reasonable level of efficiency etc., and will proceed to collect information bearing on these points that may serve later as the technical basis for international conventions to regulate this question. The fifth session of the Health Committee saw the initiation of preparatory work on these lines, and a memorandum on the subject will be presented at the next session.

Co-operation with the Opium Committee. — Similarly the Opium and Health Committees each appointed a few members to form a joint sub-committee which discussed the methods of carrying out an enquiry as to the quantities of opium and other dangerous drugs needed for legitimate consumption annually in each country.

The Standardisation of Sera and Serological Tests. — The work of the two serological conferences and the whole programme of co-ordinate research work on the standardisation of sera and serological tests organised by the Health Committee and now being undertaken in a number of bacteriological laboratories and epidemiological institutes in Europe, Japan and the United States also came under review, and the Committee expressed its satisfaction at what had been achieved in this field already, and the promise of still more important results. In this connection a proposal was discussed to apply the same methods of co-

ordinate international research to the standardisation of certain biological products used as very powerful drugs, such as digitalis, pituitary and thyroid extracts, « insuline » (the anti-diabetic hormone of the pancreas) and so forth. This question will be brought up at an International Physiological Congress to be held in July 1923, at Edinburgh.

Epidemiological Intelligence and Public Health Statistics. — The extension and perfection of the League Health Organisation's service of epidemiological intelligence and public health statistics was also discussed. Dr. Edgar Sydenstricker, a statistician in charge of the United States Statistical Bureau, Washington, will come to Geneva to take charge of this branch of the health organisation's work.

The Health Organisation's Courses in Warsaw, Moscow, and Kharkov. — The Committee expressed its satisfaction with the way in which the courses it had organised in Warsaw, Moscow and Kharkov for the purpose of training health officials in Russia and the border States in the combating of epidemics were being conducted, as well as at the progress made in creating hygienic museums and permanent centres of hygienic information in these towns.

The Work of the Epidemic Commission. — Further, a report on the work of the League Epidemic Commission was discussed. The Epidemic Commission has extended its activities to Greece, where its agents, at the request first of Dr. Nansen and then of the Greek Government have taken over the work of anti-epidemic measures in the refugee camps, chiefly by wholesale vaccination, and are also assisting the Greek Government with technical advice. The size of the problem may be gauged from the fact that the refugees total one-fifth of the entire population of Greece and in some districts actually outnumber the resident population.

Dr. Semyashko's Report. — The Members of the Committee, sitting as a special committee under the Genoa Agreement, heard with great interest the report read by Dr. Semyashko on the present epidemic condition of Russia, and the organisation of the Russian health administration. Proposals were discussed for co-operation between the health organisation and the Russian health authorities in the gathering of epidemiological intelligence, particularly as to the areas where cholera is endemic in Russia, and the degree of immunity against typhus acquired by contracting the disease. Moreover, Dr. Semyashko mentioned experiments that had been conducted on a large scale in Russia as to new methods of vaccination and immunisation against cholera, typhoid fever and dysentery. At Dr. Semyashko's suggestion it was decided to nominate an expert who would co-operate with the Russian health authorities in investigating the possibilities of these methods.

3. COMMUNICATIONS AND TRANSIT.

The Transit and Communications Committee held two meetings at Geneva which came to an end on the 12th January. A special sub-committee had been appointed at the last plenary session to study, together with the Opium Committee, what measures might be possible to facilitate and render more effective the control of the traffic in opium in free ports. This sub-committee held three meetings with Dr. Stiévenard in the chair, and after studying various types of free ports, drew up a detailed and complete plan that appears calculated to satisfy the requirements of the Opium Committee without in any way infringing upon the facilities for legitimate trade offered by free ports.

Further, a joint sub-committee of the Transit and Health Committees met to study methods of preventing the spread of disease along inland waterways (see account of the fifth Session of the Health Committee).

The Railway Sub-Committee of the Communications and Transit Committee met at Paris on January 17th order to begin the preliminary work in connection with a general convention for international railway traffic such as is provided for by the Treaty of Versailles and was demanded at the Conferences of Barcelona and Genoa.

The members present were :

Sir Francis Dent, assisted by Mr. Marriott and Mr. Kissan;
M. E. Isabelle;
Dr. O. Lankas,
M. P. Wolff, assisted by M. Sauter.

According to the plan approved by the Assembly, this Convention should comprise the general principles of the various special conventions now in force as well as the agreements between railway administrations regulating international traffic; in this way the general convention would give the fullest possible extension to the principles of existing conventions while lending the support of the Governments to the efforts of railway administrations to reach a mutual understanding.

The Sub-Committee is to work out a first draft scheme, which will be submitted to the League organisations concerned and subsequently to the Governments; the final convention will be drawn up at the second general conference of Communications and Transit (the first was held, it will be remembered, in the spring of 1921 at Barcelona) which is to meet next autumn.

V. — Administrative Questions.

I. DANZIG.

At the Council session of September 1922 the League Financial Committee declared it to be desirable that the Reparations Commission should ascertain whether a moratorium could be granted to the Free City, and that the Inter-Allied Allocation Commission should complete without delay its work of dividing former German State property between Danzig and Poland (1).

In a letter dated January 6th 1923, the Reparations Commission announced that it would grant a moratorium of twelve months for Danzig's debts connected with former German State property allocated to the Free City and for that portion of the German and Prussian debts for which the Free City was liable. As regards the obligations of the Free City arising out of the Inter-Allied occupation and administration in 1920 and those in connection with the Joint Boundaries Committee, the Reparations Commission pointed out that this question was not within its competence, and that, in its opinion, the Conference of Ambassadors was the competent body to consider these matters.

Appointment of the High Commissioner. — General Sir Richard Haking, who has just been appointed to an important post in Egypt, was made League High Commissioner for Danzig on December 17th, 1920 for a period of one year dating from January 20th, 1921. His term of office was renewed for a further period of

(1) See *Monthly Summary*, vol. II., p. 200.

one year, i. e., from January 20th, 1922 to January 19th, 1923. The Council will, therefore, have to appoint a new High Commissioner.

Other questions on the Council's agenda concern mainly appeals by the Danzig or Polish authorities against decisions of the High Commissioner, and have been dealt with in previous issues (1).

2. THE SAAR BASIN.

The notes of the German Government protesting against the presence of French troops and gendarmerie and the jurisdiction of French Courts-Martial in the Saar Territory have already been dealt with in the Summary (2). On the agenda of the twenty-third Session of the Council figure two further questions : the appointment of the Members of the Saar Governing Commission and the measures to be taken in view of the Plebiscite.

Appointment of the Chairman and three members of the Governing Commission. — The term of office of the Chairman, M. Rault (French), and three members of the Commission, Major Lambert (Belgian), Mr. Waugh (Canadian), and Count Moltke Huitfeldt (Dane), expires on February 13th, 1923; the Council will therefore have to appoint one French member of the Commission and three of neither French nor German nationality. The Council will also have to consider the appointment of the Chairman, who is selected from among the members of the Commission. According to the Treaty of Versailles the appointment of the Chairman and members of the Commission is made for one year and may be renewed.

Preliminary measures for the Plebiscite. — M. Bonzon has communicated for submission to the Council a report concerning the official documents which, in view of the Plebiscite of 1935, should be placed under the special protection of the League.

Adhesion of the Saar Territory to the Berne International Convention (1890) on Railway Transport. — The German Government and the Chairman of the Governing Commission advised the Secretary-General that both these parties had ratified the Convention on Railway Traffic with the Saar Territory, as drawn up at Luxembourg on November 24th, 1922 by the Committee on Communications and Transit (3).

Copies of the Convention signed by the Chairman of the Governing Commission and by the German Minister for Foreign Affairs, Herr von Rosenberg, have been exchanged; the Convention has therefore entered in force (Article VI., Convention on Railway Traffic, etc.).

VI. — Political Questions.

1. THE MOSUL QUESTION.

On January 25th, 1923, the British Secretary of State for Foreign Affairs, Lord Curzon, addressed to the Secretary-General of the League the following letter :

"I desire, in exercise of the friendly right conferred by Article XI. of the Covenant of the League of Nations, to bring to the attention of the forthcoming meeting of the Council of the League the case of the disputed frontier between the Turkish dominions in Asia Minor and the mandated territory of Iraq.

(1) See *Monthly Summary*, vol. II., p. 260, 319.

(2) Vol. II., p. 201, 293, 320.

(3) Vol. II., p. 259.

"At a meeting on January 23rd of the Conference now being held at Lausanne I stated publicly my intention on behalf of the British Government to refer this case to the League of Nations as a matter affecting international relations which unfortunately threatens to disturb international peace and the good understanding between nations upon which peace depends.

"I beg you to be good enough to enter this subject upon the Agenda paper of the Paris meeting of the Council, when it will be more fully explained by the Representative of His Majesty's Government."

This letter has therefore been placed on the agenda list of the twenty-third session of Council.

2. THE DELIMITATION OF THE HUNGARIAN-CZECHOSLOVAK FRONTIER.

The Conference of Ambassadors has forwarded to the Council of the League the reports of the Delimitation Commission relative to the mining district of Salgó-Tarján, which forms part of the frontier between Hungary and Czechoslovakia.

According to these reports, the votes of the Commission on maintaining the frontier as defined in the Treaty of Trianon or proceeding to its rectification were equally divided, a majority in favour of an appeal to the League for rectification by friendly settlement being obtained by the casting-vote of the Chairman.

By the covering letter (May 6th, 1920) to the Treaty of Trianon, the Allied and Associated Powers agree that, in such circumstances, the Council of the League, if so requested by one of the interested parties, may offer its services for a friendly settlement of the question.

As the Royal Hungarian Government has already appealed to this effect to the Council, and the Czechoslovak Government, although taking no formal steps in the matter, has made no objection to this procedure, the question has been placed on the agenda of the forthcoming Council session. The Council will decide whether it will take up the question and, in this case, what procedure it will adopt.

VII. — Social and Humanitarian Questions.

I. RUSSIAN REFUGEES.

As a result of the generous hospitality of the Bulgarian and Serb-Croat-Slovene Governments, the High Commissariat of the League of Nations states in a report to the Council that it has secured the evacuation from Constantinople of 17,000 refugees. The approximate cost of this operation is £ 2.10s 0 a head.

The Constantinople office has cooperated actively with the American Red Cross, the American Relief Administration and the Jewish refugee organisations, and has received valuable assistance from the British and French Governments.

At the request of the British Government, which placed the sum of £ 150,000 at the disposal of the High Commissioner for this work, Dr. Nansen has assumed responsibility for 4,600 refugees in Egypt, Cyprus and the Serb-Croat-Slovene Kingdom. His report describes the measures taken to ensure their welfare.

The system of identity certificates for defining the legal status of Russian refugees has been accepted by twenty States :

Albania, Austria, Bolivia, Bulgaria, Finland, France, Germany, Great Britain, Greece, Guatemala, Holland, Italy, Japan, Latvia, Lithuania, Norway, Roumania, Spain, Serb-Croat-Slovene Kingdom. Switzerland.

2. ASIA MINOR REFUGEES.

In a report on conditions in the refugee camps in and around Athens, the representative in Greece of the High Commissioner of the League states that there are

now 100,000 refugees in that city with more arriving daily in the belief that they will obtain more food and assistance there. Every inch of available space is occupied, the refugees being concentrated in schools, churches, stations, markets, shops, warehouses, factories and even bathing establishments. Almost all of them are still in their summer clothes—reduced to rags—in which they fled three months ago. There are practically no men among them and the mortality is enormous owing to lack of food (the only daily ration is a slice of very inferior black bread) and to the absence of sanitary arrangements. The condition of the children is pitiable.

Constructive schemes for the amelioration of similar conditions in the districts of Dedeagatch and Gumuldjina are being actively carried out by the representatives of the High Commissariat. A base hospital and feeding stations are already in existence and new villages are to be established, farmhouses built, and land cultivated. These schemes will be developed on a substantial scale if adequate funds are made available as a result of Dr. Nansen's World Appeal. The following contributions, totalling roughly 830,000 Swiss francs, have been received to date for Asia Minor Refugees :

Great Britain	£	19,208	(470,000 Sw. frs.).
Canada	£	5,000	(135,000 —).
Greece	Dr.	1,000,000	(65,000 —).
Japan	Yen	10,000	(26,000 —).
Brazil, Denmark, New-Zealand, Norway, Sweden, each £ 1,000	£	5,000	(122,500 —).
Switzerland	£	625	(15,320 —)
Spain has promised	£	2,000	

Five hundred tons of flour (value £ 9,000) have been bought in Egypt and distributed to about 10,000 refugees at Chios. One thousand tons of flour (£17,000) have been bought through the Bulgarian Government and four-fifths of this distributed in Greece through the American Red Cross. Dr. Nansen's Constantinople office has provided for the installation (£18,900) of hospitals and camps for upwards of 10,000 refugees in Western Thrace and arrangements have been made to distribute one million rations and supplies and equipments for three months. An agricultural reconstruction scheme is being undertaken in conjunction with these camps and the establishment of four villages has been started. Gifts have been received from the Belgian Government of 2,000 tents and 2,000 blankets, and from the Polish Government of 30 large tents. The transport has been arranged of 155,000 Greek refugees from Asia Minor and Eastern Thrace to Greece, and of 10,000 Muselman refugees from Constantinople to Smyrna.

3. FOURTH SESSION OF THE ADVISORY COMMITTEE ON TRAFFIC IN OPIUM.

The Advisory Committee on Opium held its fourth session at Geneva during the second week of January.

The following members were present :

Government Representatives :

Sir MALCOLM DELEIVINGNE (Chairman)	British Empire.
Mr. CHAO-HSIN-CHU	China.
M. BOURGOIS (Vice-Chairman, substitute for M. KAHN)	France.
Dr. ANSELMINO	Germany.
Mr. CAMPBELL	India.
His Exc. Mr. ARIYOSHI	Japan.
Mr. Van WETTUM	Netherlands.
His Exc. Prince CHAROON (replaced at the last meeting by Mr. CHARUVASTRAY)	Siam.
Dr. Rupert BLUE	United States of America.

Assessors:

M. BRENIER (French).

Sir John JORDAN (British).

Mrs. HAMILTON WRIGHT (American).

The Chairman gave a cordial welcome to Dr. Rupert Blue, by whom the United States of America were represented on the Committee for the first time, and expressed the Committee's sense of the value of American co-operation.

The question of the best means of ascertaining the world's requirements of opium, morphine, cocaine, etc., in order to limit production to legitimate needs had been discussed on January 4th by a Joint Sub-Committee formed from the Health and Opium Committees, and its Report was submitted to the Plenary Opium Committee. The members agreed to accept the method proposed in the report, which entailed the adoption of four different systems of enquiry, to be conducted simultaneously, their results being afterwards compared and tested in the light of each other.

These four systems are, first, adding the imports and manufactures of a country and subtracting the exports; second, direct enquiries made in hospitals and from chemists, dispensing physicians, dentists and veterinary surgeons; third, the statistics of disease together with the figures for the consumption of narcotics in the hospitals; fourth, the statistics obtained through the use of import and export certificates.

The Committee noted the opinion of the Joint Sub-Committee that medical use should be considered the only legitimate use of opium and other dangerous drugs and that, in the opinion of doctors, the use of opium as a stimulant could not be considered legitimate even in tropical countries; the representative for India, however, made a reservation, owing to the special needs of the Indian people. As the United States representative wished an opportunity for discussing the whole question, it was decided to place on the agenda for the next meeting of the Committee the question as to what constitutes a "legitimate" use of opium.

The principal task before the Committee, however, was to discuss, at the instance of the Assembly, a proposal that Governments should be asked to agree to import opium and other drugs only from those countries which had brought into force the International Opium Convention and adopted the system of Import and Export Certificates recommended by the League. The purpose underlying this proposal is that the whole trade in dangerous drugs should be confined to those countries which are willing to carry out effective control of their imports and exports, and that those States which act independently of this international control will either be induced to co-operate or else cease to find a market for their supplies.

The Committee discussed the question thoroughly and strongly divergent opinions were expressed. During the course of the debate news was received which may have important bearing on the situation. It was stated that the Turkish Delegation was favourably considering adhesion to the Opium Convention. Information was also received from the Persian Minister at Monaco that his Government intended, at an early date, to submit the Convention, without reservation, to Parliament for ratification. Enquiries made of the Swiss Government showed that the question of ratification was receiving consideration. Owing to the seriousness of the measure proposed and the possible changes in the situation the Committee decided to defer giving its final opinion until the next meeting in May, and to request the Council in the meantime to take all possible steps to secure universal co-operation.

MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

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to the Information Section, League of Nations, Geneva.

I. — Summary of the Month.

The principal events of the month were the twenty-third session of the Council, which was held at Paris from January 29th to February 3rd, and an extraordinary session of the Permanent Court of International Justice, which opened on Ja-

bruary 8th and came to an end at the beginning of February. The Temporary Mixed Commission for the Reduction of Armaments met from February 9th to 12th at Geneva.

The twenty-third session of the Council, which was presided over by M. Viviani, was attended for the first time by representatives of the two new, non-permanent Members—Sweden and Uruguay—elected in September 1922 by the third Assembly. The States Members of the Council were represented as follows :

Belgium.	M. Hymans.
Brazil.	M. da Gama.
China.	M. Tang Tsai Fou.
France.	M. Viviani.
Great Britain . . .	Lord Balfour.
Italy.	M. Salandra.
Japan.	M. Adatçı (as substitute for Viscount Ishii).
Spain.	M. Quinones de Leon.
Sweden.	M. Branting.
Uruguay	M. Blanco.

The outstanding subject on the agenda of the Council meeting was the examination of the application of the programme for the financial restoration of Austria, which had been drawn up by the League in September 1922. Information received from the Provisional Delegation of the League, which worked at Vienna from October to December, and from the Commissioner-General, enabled the Council, at a public session attended by the Austrian Chancellor, Mgr. Seipel, to appreciate the importance of the results achieved, and of the various reforms, and also the undeniable difficulty of the task. Several resolutions were adopted, among which may be specially mentioned that inviting the interested Governments to hasten the conclusion of treaties of commerce with Austria and that authorising the Austrian Government to issue a short-term loan of 3 $\frac{1}{2}$ million pounds sterling.

Political questions before the Council included the problem of the Hungarian-Czechoslovak frontier and the Polish-Lithuanian difference regarding the neutral zone. In the first case the two parties asked the Council to lend its good offices for arbitration; in the second, the Council announced its decision regarding a temporary administrative line in the neutral zone in the region of Vilna.

Two important questions of an economic nature were on the agenda : the organisation of an international Conference on Customs formalities, to which the Council decided to invite all States Members of the League, Germany, Mexico, the United States and Ecuador; and a request of the Greek Government for a report on a loan project in favour of Greek refugees, which was referred to the League's Financial Committee.

The Council approved the report of the Committee on Intellectual Cooperation on its investigation of the conditions of intellectual life in the different countries and its endeavours to promote the exchange of books and scientific instruments.

Further subjects of consideration were questions concerning the Saar territory, Danzig, and the protection of minorities in Poland, Esthonia and Latvia. The Council appointed Mr. S. MacDonnell High Commissioner of the League at Danzig and renewed the term of office of four members of the Saar Governing Commission, including that of the Chairman. It also settled the rules of procedure in connection with petitions from inhabitants of mandated territories.

The Permanent Court of International Justice, at a public session on February 7th, announced its advisory opinion on the Franco-British difference as to the nationality decrees issued in Tunis and Morocco. Without entering into the merits of the case, the Court is of opinion that, according to international law, the question involved is not one of purely French jurisdiction.

The Temporary Mixed Commission for the Reduction of Armaments had mainly

to consider the draft of a general treaty of mutual guarantee which was submitted by Lord Robert Cecil. It was decided, in order to facilitate further study, to communicate this draft to the Governments of States Members of the League, and to submit it to the Permanent Advisory Commission for Military, Naval and Air Questions as well as to a special Sub-Committee.

On February 26th, an interchange of sanitary staff, arranged by the League Health Organisation, began in London under the direction of the British Health Ministry, and will continue for three months in England and Austria.

A Sub-Committee of Railway Experts, appointed by the Committee on Communications and Transit, also met during the month in London, for the purpose of drawing up a general convention on the international regime of railways.

A new League publication has been compiled from reports sent in by twenty-five States represented at the Brussels Financial Conference (1920). This work shows in what measure the recommendations of the Conference have been put into force and is at the same time a valuable document on the financial and commercial situation of the countries in question.

II. — The Financial Reconstruction of Austria.

a) The Council Resolutions. — The progress made in the execution of the scheme for the financial reconstruction of Austria during the first four months, was closely examined during the meeting of the Council, and at a public session full details were given in speeches and reports of what had been done and what remained to be done. These speeches and documents, together with the resolutions passed, are issued in a special supplement to the Monthly Summary.

At the public meeting of the Council, Lord Balfour, President of the Council Committee on Austria, emphasised the importance of the results achieved. The task, he said, seemed so great in October last in Geneva, that while there was the utmost good-will shown on the part of everyone concerned, there was, nevertheless, a feeling that what had been undertaken was of such magnitude that even the most sanguine could not look forward with any assurance to the success of the great enterprise on which they were engaged. Being able to look back over what had been done on so great a scale and with such admirable goodwill during the past four months, they could now look forward in a very different spirit of confidence and with the best hopes for Austria's financial recovery. The external loan had been guaranteed by various Governments to the extent of 93 %, and as regarded the important, but relatively small sum that still remained to be guaranteed, it was hoped that the nations now considering the question would find themselves in the position to take their share. The security offered was one which the investing public would be well advised in its own interest favourably to consider.

The Austrian Chancellor, Monsignor Seipel, in his statement to the Council, expressed his gratitude to the League of Nations for what had been done in circumstances for which there was no precedent. Austria, he said, had two requests to bring forward. The first was to be placed as soon as possible in actual possession of foreign credits, and the second was that the hard and fast economic barriers which the war and post-war period had erected between nations should be abolished.

Mr. Zimmerman, Commissioner-General of the League in Vienna, declared that the doubts and apprehension which he had entertained before his arrival at Vienna had given place to a confidence which was being reinforced daily.

Various resolutions were adopted. In addition to the one already noted, one of the most important authorised Austria to negotiate a short-term loan of 3 millions sterling, for the particular purpose of which the Governments, which had already undertaken guarantees, agreed to any necessary addition to their percentages so as to complete the 100 % guarantee. Another important resolution, adopted

on the proposal of M. Salandra, embodied what had been done and the whole policy of the Council.

Finally, the President of the Council, M. Viviani, said the League had reason to be proud of the work that it had done in this connection as well as upon other questions which the Governments had referred to it. The efforts made by the League for the financial reconstruction of Austria were evidence of the practical nature of the League's work.

b) More recent developments. — Immediately after authorisation had been given for the raising of the shortterm loan of 3½ millions sterling, the Austrian Government opened negotiations on the subject. These were carried out under the direction of the Federal Finance Minister, with the result that the financial markets of six different countries have undertaken to take part in the loan in the following proportions :

England	£ 1,800,000.
France	60,000,000 francs
Belgium	8,500,000 francs
Holland	6,000,000 florins
Switzerland	5,000,000 francs
Sweden	1,600,000 crowns

This credit, which is to be under the control of the Commissioner-General, will be used to cover the Austrian budget deficit for a few months, when further credit operations can be launched.

During the month of February, the Austrian Government has carried out a number of reforms of a detailed character, and it is becoming evident that the steps taken during the preceding months are beginning to bear fruit. The reduction of State employees increased to 29,941 between January 15th and February 24th, and the receipts during January from customs and the tobacco monopoly, which form the Austrian securities for external credits, increased by 25 milliards compared with the December figure.

Regarding the budget for 1923, established on a basis of agreement concluded in November last between the Austrian Government and the League representatives at Vienna, the deficit now foreshadowed in the Government's budget is 162 million gold crowns, instead of 220 million gold crowns, the maximum agreed to with the League representatives, and less than one half of the original estimate made three months ago.

Although the economic situation is unfavourably affected by the stabilisation of the crown and the general economic crisis in Europe, there are certain promising signs. The balance of trade for 1922 showed a considerable improvement upon 1921, the economic relations between Austria and her neighbours and other European States are slowly improving, and the number of unemployed tends to diminish slightly in certain branches of industry. It appears that the German crisis and the present difficulties of production in certain German industrial districts have resulted in metallurgical orders being placed in Austria, bringing a fairly considerable increase of activity.

The crown remains stable, and deposits in banks and savings banks continue to rise. The cost of living for February showed an increase of 2%, due chiefly to the increase of rents and of the price of coal.

III. — Reduction of Armaments.

1. COUNCIL RESOLUTIONS

At its January meeting the Council continued its examination, begun in October, of the Assembly resolutions on the reduction of armaments.

With regard to the question of a Treaty of Mutual Guarantee, the Council agreed with the Permanent Advisory Committee for Military, Naval and Air Questions that a final report should not be drawn up on this subject until it had been examined at an early date from a technical point of view. It expressed its satisfaction with the work already done by the Committee and asked it to continue along the same lines and to consider, from the technical aspect alone and without reference to the political situation, the possibility of applying the principle contained in the Assembly resolution.

The Council decided that the international conference for the reduction of naval armaments will be held at a date to be fixed later after the close of the Santiago Conference. The agenda for this conference will include the extension to States Members of the League of the principles of the Naval Treaty of Washington, and the adherence of these States to the treaty concluded at Washington on February 6th, 1922, regarding the use of asphyxiating gases and submarines. The Council decided that non-Members of the League should also be informed of this conference.

With regard to the Assembly resolution on the reduction by certain States of their expenditure on armaments to the figures of 1913, the Council decided to transmit to the Governments concerned, the Assembly's recommendation, asking them to reply before June 1st, 1923, as to what action they were prepared to take.

In execution of the Assembly's decision that the statistical enquiry for 1923 should apply only to peace-time armaments and expenditure on armaments, the Council authorised the Secretariat to transmit, after examination by the Temporary Mixed Commission, the tables prepared by the Permanent Commission to the Governments of the States Members of the League with the request that they would give the desired information before June 1st, 1923.

It was decided to postpone the consideration of what action should be taken on the Assembly resolution for the control of traffic in arms and munitions and private manufacture.

Finally, the Council decided to urge States Members of the League which had not yet replied to the enquiry concerning their requirements for national security to do so before June 1st, 1923.

2.. SIXTH SESSION OF THE TEMPORARY MIXED COMMISSION FOR THE REDUCTION OF ARMAMENTS

The Temporary Mixed Commission for the Reduction of Armaments (1) met at Geneva on the 9th-12th February. This short session was devoted principally to examining progress made in the work on hand and to a preliminary exchange of views on a draft treaty of mutual guarantee between States submitted by Lord Robert Cecil. The Commission also took note of a communication on the subject of the Disarmament Conference held at Moscow from the 2nd to the 12th December 1922 and of information received regarding the Pan-American Conference, which will meet at Santiago (Chile) on March 25th.

Mutual Guarantee between States. — It may be remembered that, in September 1921, the Second Assembly requested the Temporary Mixed Commission (2) to make suggestions for a scheme for the reduction of national armaments. At the third session of the Commission, in February 1922, Lord Esher submitted the text of nine resolutions. Five months later the Commission, reinforced by seven new members in accordance with an Assembly resolution, considered a draft resolution in four articles, submitted by Lord Robert Cecil, on the principles of disarmament.

(1) For the appointment of this Commission see Resolution 3 on Armaments, adopted by the First Assembly in December 1920. See also *Monthly Summary*, August 1921, p. 56. For the list of members see *Monthly Summary*, November 1922, p. 301.

(2) See *Monthly Summary*, October 1921, p. 103.

In this Lord Robert stated that Governments could not assume the responsibility of a serious reduction in armaments unless they received in exchange a satisfactory guarantee of the safety of their country.

The Temporary Mixed Commission laid this question of a general Treaty of Mutual Guarantee before the Assembly, which in September 1922, after an intensive discussion, drew up a Resolution containing a statement of principle (1). At the same time it asked the Council to invite the opinion of the various Governments on the Resolution, of which four have so far replied. The Assembly also requested the Temporary Mixed Commission to prepare a draft treaty based on the principles laid down in its resolution.

For this purpose Lord Robert Cecil drew up a general draft treaty, which was submitted to the Commission at its recent session. After a preliminary exchange of views the Commission decided in order to facilitate further discussion to refer this draft treaty to the Permanent Advisory Commission on Military, Naval and Air Questions for a technical opinion. It also appointed a special sub-commission to study Lord Robert Cecil's draft and to prepare a Report after hearing the opinion of the Permanent Advisory Commission, on the understanding that this should be given before the 1st May. This sub-commission is composed of the following members. General Inagaki (Japan), General Marinis (Italy), Lieut.-Colonel Requin (France), Mr. E. Lohner (Switzerland), M. Jansen (Belgium), Mr. Bonin-Longare (Italy), M. Jouhaux (France), Lord Robert Cecil (British Empire).

Finally, the Commission requested the Council to communicate Lord Robert Cecil's draft to the Governments of the States-Members of the League, asking them to examine it and to give their opinion.

The Temporary Mixed Commission also discussed the action to be taken on certain resolutions passed by the Assembly concerning armaments.

Private manufacture of arms and control of the international traffic in arms. Chemical warfare. — In accordance with a resolution passed by the Third Assembly (2) declaring it to be highly desirable "that the Government of the United States should express the objections which it has to formulate to the provisions of the Convention of St. Germain, as well as any proposals which it may care to make as to the way in which these objections can be overcome", the Temporary Mixed Commission suggested that the Council should invite the Government of the United States to make concrete proposals with regard to the general line of collaboration that it would be prepared to offer to the other governments for the control of the trade in and private manufacture of arms.

It may be remembered that the Third Assembly (3) approved the action of the Temporary Mixed Commission in appointing a special sub-committee to report on the probable effects of chemical discoveries in any future war and urged the Council and the Temporary Mixed Commission to take every possible means to secure the fullest publicity for this Report. The Commission therefore decided to write to the experts in the various countries, especially in those where the chemical industry is most advanced, in order to collect as much relevant information as possible.

Statistical Enquiry on Armaments. Limitation of Military, Naval and Air Expenditure to the figures for 1913. — The Commission instructed the Secretariat to continue its analytical study of expenditure on armaments and to procure detailed information on the methods of obtaining the statistics and on the relations between home and colonial budgets, etc., so as to be able to produce, before the next Assembly, a new and more complete publication on national expenditure on armaments during the years since the war.

(1) See *Monthly Summary*, September 1922, p. 231-232.

(2) See *Monthly Summary*, September 1922, p. 230.

(3) See *Monthly Summary*, September 1922, p. 230.

Certain objections of a technical nature arose in connection with a recommendation passed by the Assembly, that European States whose legal status had not been modified by the war and which were not at the moment engaged in military operations justifying enlarged armaments, should be invited to reduce the total of their military, naval and air expenditure to the figures for 1913. The Commission therefore agreed that it would be preferable to give the Council and the Assembly a further opportunity for examining the question.

Statements of Governments on their Requirements for National Security. Exchange of information between the States-Members of the League. Reduction of Naval Armaments. — The Committee instructed the Secretariat to prepare a comparative analysis of the replies of the Governments to the questionnaire on their requirements for national security and also to draw up a plan regarding steps to be taken for the exchange of military information between States-Members of the League. It decided to ask the Permanent Commission to examine the question of extending to States non-Members of the League the principles of the scheme prepared by this Commission in view of the coming international conference on the reduction of naval armaments.

Moscow and Santiago Conference. A conference on disarmament was held at Moscow from the 2nd to the 12th December, to which Finland, Esthonia, Latvia, Poland (representing also Roumania) and Lithuania were invited by the Russian Soviet Government. Prince Januth Radziwill, chief of the Polish Delegation to this Conference, gave the Temporary Mixed Commission an account of its work.

Statements by M. Valdes (Chili) and M. Urrutia (Colombia) regarding the submission to the Santiago Conference (March 1923) of the question of disarmament as well as information on the subject received by the Secretariat were noted by the Temporary Mixed Commission. These statements were in line with the special interest in this question shown by the Third Assembly.

Declaration made by the Labour members of the Temporary Mixed Commission. The three members of the Commission chosen by the labour group of the Governing Body of the International Labour Office : M. Jouhaux (France), Mr. Oudegeest (Holland), Mr. Backlund—substitute for Mr. Thorberg— (Sweden) presented, on the last day of the meeting, a statement insisting on the need of realising moral disarmament as a prelude to material disarmament and asking the League of Nations to seek ways and means by which this moral disarmament might be secured in accordance with the resolution passed by the Assembly in 1922 (1).

The following is the text of the declaration :

"We, the undersigned, having been appointed by the organised workers of almost all countries to represent labour interests on the Governing Body of the International Labour Office, and having been chosen by that office, at the request of the Council of the League of Nations, to collaborate in the work of the Temporary Mixed Commission, feel bound to call attention to the following :

"That the work of the Temporary Mixed Commission, which aims at the limitation of armaments, cannot produce any useful results except in so far as it is adapted to a situation of moral disarmament ;

"That one of the conditions calculated to hasten this moral disarmament is the promotion of "international co-operation and the achievement of international peace and security" (first paragraph of the Preamble to the Covenant of the League of Nations);

"That, the present European situation cannot be described as favourable to

(1) See *Monthly Summary*, September 1922, p. 232.

the development of this co-operation and to the realisation of moral disarmament, which is the precursor of material disarmament :

"That, in view of this situation, it is the study of the League of Nations to seek for ways and means by which moral disarmament may be secured, in view of the fact that "the League of Nations has for its object the establishment of universal peace" (Preamble of Part 13 of the Treaty of Peace);

"That, moreover, the Assembly of 1922 solemnly affirmed that this was its desire by adopting Motion No. 16;

"For these reasons, we ask the Temporary Mixed Commission to insert this declaration in its minutes in order that the Council of the League of Nations may duly take note thereof."

IV. — General Questions.

I. THE PERMANENT COURT OF INTERNATIONAL JUSTICE

Nationality Decrees in Tunis and Morocco. — The Permanent Court of International Justice, announcing in public session on February 7th its conclusion on the first question submitted to it with reference to a case between two nations, expressed the opinion that the Franco-British dispute concerning the Nationality Decrees promulgated in Tunis and Morocco is not a matter which by international law is solely within the domestic jurisdiction of France. The Court, without entering into the merits of the dispute, held that the Council of the League had jurisdiction to deal with the *dispute as brought before it by the British Government*.

Immediately after the pronouncement of this opinion, and in accordance with the previous agreement between France and Great Britain that the whole dispute, considered by the Court to be not exclusively of domestic concern, should be referred to arbitration or to judicial settlement, the Agent of the French Government formally requested the Court to place on record that France proposed to Great Britain to submit the whole dispute to the Court for judgment. The British Agent, in reply, stated that he was not authorised definitely to pronounce on the French proposal, but that his Government would give it the most careful consideration.

The Court, it will be recalled, had been summoned in Extraordinary Session on January 8th, to give an advisory opinion on the question submitted to it by the Council, as to "whether the dispute between France and Great Britain as to the nationality decrees issued in Tunis and Morocco (French zone) on November 8th, 1921, and their application to British subjects is or is not by international law solely a matter of domestic jurisdiction (Article XV., paragraph 8 of the Covenant)".

The Court was constituted as follows : M. Loder, President, M. Weiss, Vice-President, Lord Finlay, MM. Nyholm, Moore, Anzillotti, Huber, judges, MM. Beichmann and Negulesco, deputy-judges. M. Altamira, who had taken part in the deliberations, had to leave the Hague before the opinion was pronounced.

The Court's opinion, having described the procedure followed—the deposit of Cases and Counter-Cases, the delivery of oral statements at public sessions, and the deposit of final conclusions by both Parties,—explains in detail the circumstances in which the question was submitted. An analysis of the diplomatic correspondence indicates how the difference of opinion arose between the Governments of France and Great Britain after the promulgation of the decrees; how proposals to submit this difference to arbitration met with no success; how in these circumstances the question was laid before the Council of the League of Nations; and how, finally, a doubt having been raised with regard to the competence of the Council, the question of that body's competence was submitted to the Court by unanimous decision of the Council.

The opinion makes clear at the outset that the Court was called to decide only upon the nature and not upon the merits of the dispute. Consequently, nothing in

the opinion given was to be interpreted as indicating an opinion on the merits of the case.

The question submitted must, in the view of the Court, be answered in the light of Article XV, paragraph 8, of the Covenant which provides that matters "which by international law are solely within the domestic jurisdiction" of a State shall not against the will of that State come within the competence of the Council of the League. The doctrine of the Court with regard to the interpretation of this provision may be summarised as follows :

The "exclusive jurisdiction" of States comprises matters which in principle are not regulated by international law. The ambit of this jurisdiction varies with the development of international relations; consequently it is purely relative. Moreover, even as regards matters included within this jurisdiction, the right of a State to use its unfettered discretion may be restricted by international engagement. The mere fact that international engagements are invoked does not, however, suffice to remove from the exclusive jurisdiction of a State a dispute which, in principle, falls within that jurisdiction; these international engagements must be of a nature to justify the provisional conclusion that they may be of juridical importance for the dispute.

In applying this doctrine to the question under consideration, the Court had to examine the more important legal grounds and arguments advanced by the Parties to the extent required for the appreciation of the nature of the dispute.

The Court accordingly proceeded to deal with the contention that France has, in Tunis and Morocco, the same exclusive right to legislate on nationality questions as in France itself, and also with the contention that the local sovereignty of the protected State, together with the public powers exercised by the protecting State, may form a substitute for full sovereignty. Similarly, it touched upon the question whether the capitulatory rights of Great Britain in Tunis and in Morocco still subsist or have lapsed. The Court also referred to the argument advanced by Great Britain and based on the most-favoured-nation clause, as well as to the French contention, according to which Great Britain has formally recognised the right of France to legislate in Tunis under the same conditions as in the mother country on the subject of nationality.

It was as a result of its considerations on these points that the Court gave to the question submitted to it a reply in the negative; that is to say, it affirmed that the dispute did not solely fall within the domestic jurisdiction of France, as this was understood by the Court, and that consequently the Council had jurisdiction to deal with the dispute as brought before it by the British Government.

2. AMENDMENTS TO THE COVENANT

During the past month the British Government deposited at the Secretariat the instruments of ratification of the amendments to the following Articles of the Covenant : IV. (Election of the Non-Permanent Members of the Council), XIII. (Arbitration), XV. (Procedure of Conciliation) and XXVI. (Amendments).

3. ARTICLE X. OF THE COVENANT

The Canadian Proposal for the Amendment of Article X. of the Covenant by which Members of the League "undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League" was discussed by the Council at its meeting in Paris. The decision was taken, first, to invite all States Members of the League to communicate to the Council any observations they may care to make on the subject before June 1st, and, second, to put the question on the agenda of one of the first sessions

of the Council held thereafter, the Council taking into account the work of the Temporary Mixed Commission as regards the Part of Guarantee.

Canada originally raised the question of Article X at the first Assembly when it proposed the complete elimination of the Article. Following the discussion at both this and the second Assembly, Canada submitted a new proposal to the last Assembly embodying two suggestions: first, that any recommendation of the Council regarding the preservation of the territorial integrity or the political independence of a State should take into account the political and geographical circumstances of the State invited to give aid, and second that while any recommendation of the Council should be considered of the highest importance and be taken into consideration by all Members of the League, no Member should be under the obligation to engage in any act of war without the consent of its parliament or representative body.

The third Assembly decided, however, not to discuss the matter in detail, but to refer the question to the Fourth Assembly, leaving to the Council the task of deciding on the necessary measures for a detailed study before that time.

4. INTERNATIONAL BUREAUX

a) *Request of the International Committee of Agriculture* — The request of the International Committee of Agriculture to be placed under the direction of the League in accordance with Article XXIV of the Covenant was referred by the Council to the Economic Committee for its opinion. The main object of this organisation which was founded in 1889 and has its seat in Paris is the study of agriculture and rural economy. Its members include representatives of sixteen different countries, who are about to hold their eleventh international congress.

b) *Quarterly Bulletin of Information on the work of International Organisations* — The second number of the Quarterly Bulletin on the work of International Organisations was published during the month (1). It records the recent activities of forty six different organisations and congresses among which figure the International Astronomical Union, the International Scout Conference, the Institute of International Law, the International Congress of Societies for the Protection of Authors' Rights, the International Railway Union, the International Chamber of Commerce, etc.

5. THE PAN AMERICAN CONFERENCE AT SANTIAGO

Mr Blanco, Uruguayan Representative on the Council, made a declaration to the Council on February 3rd concerning the Pan American Conference at Santiago and particularly the proposal of the President of Uruguay for a regional understanding between the American countries. The text of his statement is as follows:—

The meeting of the Pan American Conference will take place on the 25th March next at Santiago. All the States of the American continent have been invited to send representatives. Several questions have been put on the programme of a political and financial character, in which American interests are involved and other questions of a general character. There is on the agenda, as the result of a suggestion by the Government of Uruguay, the question of examination of proposals for a closer co-operation between the American countries.

Mr Brum, President of Uruguay, contemplates a scheme for a regional understanding between the American countries. As this scheme has sometime been wrongly interpreted I beg to declare that the scheme favours the interests of the

League of Nations, and is likely to assist the efforts of the League and to facilitate its great work on behalf of peace.

"The session of the Pan American Conference will probably have important consequences for America. There will be a mutual exchange of views, the Conference will enable the American countries to act together, and to co-ordinate their plans, it will, however, pursue the same objects as the League of Nations is pursuing at this moment."

6 APPOINTMENTS

A series of new appointments to various League Commissions was made by the Council at its meeting of February 2nd. They were as follows:

Temporary Mixed Commission for the Reduction of Armaments

M. Villagis, Chilean Minister at Paris	(Chile)
M. Holsti	(Finland)
Count Bonin Longhi	(Italy)
Prince Lubomirski	(Poland)

Committee of Control

Lord Meillon, former Secretary to Indian Finance Department

Committee on Allocation of Expenses

Mr. Philipps	(Great Britain)
M. Matsuyama	(Japan)

Auditor of League Accounts

M. Ceresa, Inspector General, Italian Treasury

The Council took note of the resignation of the Deputy Secretary General M. Jean Monnet, and on the proposal of the Secretary General, approved the appointment of M. Avenol, Deputy Secretary General, for the remainder of M. Monnet's original term of office.

On behalf of the Council, M. Viviani thanked M. Monnet for the great services he had rendered the League and expressed his deep regret that it had been impossible for M. Monnet to take temporary leave of absence.

V — Technical Organisations

I THE PROVISIONAL HEALTH ORGANISATION

a) Approval of the Report of the Health Committee

The Council adopted on January 30th all the resolutions of the fifth Session of the Health Committee (1) notably as regards the invitation to Surgeon General Cumming, head of the United States Public Health Service, to membership of the Committee, and cooperation with the International Sanitary Bureau at Washington. The Council also decided that, in order to give effect to the resolution of the Third Assembly calling for a permanent Health Organisation, the Secretary General should be asked to negotiate with the Committee of the Office International d'Hygiène Publique with a view to forming a special mixed Committee composed of an equal number of Members of the League Health Committee and of the Office International. This Committee, whose president would be the acting president of the Office International, would have as its duty to prepare for the next Assembly a scheme for the

(1) See Monthly Summary Vol. III, No. 1, p. 9

constitution of a permanent Health Organisation on the lines laid down by the resolutions of the Third Assembly

The Council also approved the resolutions of the Health Committee concerning the organisation of the courses for the interchange of health personnel, the work on the standardisation of sera and serological tests, the investigation into the question of sanitation of inland waterways, cooperation with the Opium Committee, and other matters described in the January number of the Monthly Summary. Lastly it was decided that a Member of the Council and a Delegation appointed by the Health Committee should represent the League of Nations at the Pasteur Centenary celebration which are to take place at Paris and Strasbourg at the end of May. The Pasteur family has since announced its intention of presenting the Council with a bust of Pasteur which will be placed at the League Headquarters at Geneva.

b) Interchange of Public Health Personnel

The second interchange of medical officers of health arranged by the League Health Organisation opened in London on February 25th, to last three months—seven weeks in England and five in Austria. Exclusive of the British group, twenty even medical officers are participating, sent by the Health Administrations of Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Hungary, Italy, Norway, Poland, Roumania, Russia, Serb-Croat-Slovene State, Sweden and the United States. Two Japanese medical officers may also attend later.

The interchange in England, which is taking place under the auspices of the Ministry of Health and is being organised by the Society of Medical Officers of Health, began with a week of lectures and visits to health institutions of all kinds in London. This week was for the purpose of giving the participants a good general grasp of how public health questions are dealt with in Great Britain, both as regards legislation and administration. After this, the foreign medical officers were divided into groups of four and distributed for a period of practical apprenticeship and acquaintance with various local health authorities at the most important centres in the provinces. This stage was to last four weeks, after which the participants reassemble in London, for a study of the sanitary organisation of the Port of London as well as an exchange of notes between the different groups, based on the experience gained, and a final conference under the guidance of the leader of the British Public Health Service.

The course in Austria, to be conducted by the Austrian Health Administration, will follow very much the same scheme except that, instead of a course of apprenticeship, the medical officers will be taken through the country and shown in detail the working of the health administration in the various towns and provinces.

An interchange for specialists in the fighting of malaria is arranged for May and July, in Italy, where the combating of this scourge has been brought to a high pitch of perfection. At the same time preparations for other interchanges are also being made.

c) Contributions to the funds of the Epidemic Commissions

The British Government has contributed 86,000 Swiss francs to the funds of the Epidemic Commission, this amount being half of the sum of one million Czech Crowns contributed by the Government of Czechoslovakia (1). This contribution was made on the promise of the British Government at the third Assembly to pay half of any sums contributed by any or all other Governments up to a maximum of £ 100,000.

d) Periodical reports of the Health Section.

Greece — The feature of the seven Epidemiological Reports issued between January 11th and February 19th is the outbreak of typhus and smallpox among the refugees in Greece. The report of January 11th publishes a map of Greece indicating the hospital accommodation and numbers of population and refugees in certain areas and over the whole of Greece. That of February 19th publishes the following statistics for the incidence of epidemics over all Greece during January, according to a telegram received February 16th. Smallpox 448, typhus 1,150, Athens last ten days of January smallpox 50 typhus 106, Piræus smallpox 62, typhus 242, Tripoli 227 cases of typhus among 1,325 refugees recently arrived from the Pontus, Lewkas smallpox 34, enteric fever 55, Salonica since December 5th, typhus 62, Kavala December January typhus 95.

The report of February 8th publishes a chart of Greece showing the foci of typhus and smallpox notified by January 19th. In addition, that of February 19th publishes a further list of typhus and smallpox centres of which the Greek Health Administration had been informed on February 5th.

Constantinople — On January 26th, 105 cases of smallpox were reported at Constantinople as against 75 cases notified the week before, giving total of 607 cases since the beginning of the epidemic. A few cases of typhus, plague, and enteric fever are also reported.

Russian Federation — Typhus and Relapsing Fever — The Report of January 11th states that, according to information received by the People's Commissariat of Health at Moscow up to December 14th, the total number of typhus cases notified during 1922 is 1,354,869 as against 407,355 for the same period of 1921, and of relapsing fever 1,349,570 cases as against 560,015 for the same period of 1921. These figures however include returns for only the first two weeks of November and no returns for October and November from several provinces.

Malaria — The Report of January 15th is devoted to an account of the incidence of malaria in Russia, and contains a map showing the districts most affected. Malaria, it declares, must be regarded as endemic in Russia since it has always been prevalent in the Don region and on the shores of the Black Sea, as well as along the valleys of the rivers Bug, Dniiper, Dniester, Don and Volga, especially at the mouth of the latter river. It is very common in the Caucasus and throughout central Asiatic Russia. Official sources in the pre-war period estimated the annual prevalence at 5,000,000 hospital cases. This year the disease has assumed the character of an epidemic of intense severity with tropical forms of the disease, and spreading far beyond the usual limit of infection to the governments of Central Russia and as far north as the government of Arkhangel and northern Dvina.

Enteric Fever, Smallpox, Scarlet Fever of Diphtheria — The Report of January 25th gives the figures for enteric fever and smallpox during the first ten months of 1922. During this period there were 260,205 in the centre and south of Russia and along the railways and 45,450 cases of smallpox as against 91,567 for the same period of 1921. Scarlet fever and diphtheria also show a decrease during the last year, 48,621 cases of the former and 27,036 of the latter being reported during the first ten months of 1922 as against 94,815 and 34,942 for the same months of 1921. The figures are still low as compared with pre-war figures.

Other Countries — These reports also give details of the incidence of epidemic diseases in Bulgaria, Czechoslovakia, Estonia, Finland, Hungary, the Kingdom of the Serbs, Croats and Slovenes, Latvia, Lithuania and Poland.

2 THE ECONOMIC AND FINANCIAL ORGANIZATION

a) *The Report of the Economic Committee*

In accordance with a recommendation of the Economic Committee (1), the Council decided to call an international conference to take place at the 15th October 1924 in Geneva, to which not only Members of the League, but the United States, Germany, Mexico and Ecuador should be invited. It will be a conference of Government representatives, but the International Chamber of Commerce is also invited to attend in an advisory capacity. Meanwhile, the participating States are requested to communicate any observations they may wish to make on the programme drawn up by the Economic Committee. Criticisms and observations both from the point of view of business organisations and of Government administration are being obtained from all interested quarters without the Governments being committed by these documents. The advantage of this procedure is not only that it enables progress to be made much more rapidly but that it will render possible a very comprehensive survey of the technical conditions and possibilities, whilst leaving the Governments completely free in the policy they may wish to adopt at the conference.

The expert criticisms are being obtained through the members of the Economic Committee and from countries not represented on the Committee, through the Secretariat. The whole documentation will be examined by the Economic Committee at its meeting on May 15th and all observations received before that date will be taken into account in preparing the material on which the work of the conference will be based. This material will be circulated to all participating States early in June.

The Council also decided that the draft convention prepared by the Economic Committee for the purpose of developing the practice of commercial arbitration clauses should be referred to a small committee of jurists for report to the Economic Committee. It is proposed that the report should then be submitted to the Members of the League in order that a protocol may ultimately be brought before the next Assembly for the signature of all States who wish to adhere to it.

b) *Economic Conditions in Russia*

The Council decided that the time was not now opportune for the appointment of a committee of experts to examine what conclusions might be drawn from the publication by the Secretariat under instructions of the Council, of information obtained from various Governments and other agencies, on the economic conditions in Russia, with special reference to famine and the state of agriculture. As considerable further information has since been supplied, the Council authorised the Secretariat to collate any such information received in response to the enquiries already made, and to prepare a revised edition of the report, or any supplementary publication that may be desirable on the basis of this information.

c) *The Recommendations of the Brussels Financial Conference and their Application*

The League of Nations has just published a review of the financial development and commercial policy of a number of countries during the past two years, in order to show to what extent the recommendations adopted at the Financial Conference

(1) See *Monthly Summary* Vol. 3, No. 1, p. 1.

in Brussels in September 1920, have been actually applied. At this Conference, not only States Members of the League were represented but also the United States, Germany, and other countries which had not signed the Covenant. Two years having since elapsed, the Assembly thought it desirable that the Financial Committee should review the course of development during that period. The Financial Committee accordingly asked the various Governments or the representative at the Brussels Conference to submit reports covering the years 1920-1922. No fewer than twenty-five replies have been received, the majority of which are carefully elaborated studies based on valuable statistical material, describing the policies pursued by the various Governments.

For the sake of uniformity the Committee adopted the method of framing a scheme of distinct chapters or sections into which the reports asked for might be subdivided, and the form thus prescribed has been followed by most of the Governments in compiling the reply, with the result that the reports keep closely to the points in question. A few of the section headings may give some idea of the contents. Whether Expenditure on Armament has been reduced, Charges for Unemployment, the Introduction of New Taxation, the Effect of Local and Provincial Finance on the Budget of the State, the Causes and Effects of Deflation, if existing, the Existence and Abolition of Price Discrimination against Foreign Trade.

As the reports are official in all except two cases and have generally been compiled in Government Departments, the indications of policy are more authoritative than those of reviews by independent students. The reports give valuable information regarding the intentions of the several Governments. The ample statistical documentation enables the reader the better to draw his own conclusions.

The reports have been prefaced by an introduction of sixty pages, prepared by the League Secretariat, setting out in a summary form and by the help of comprehensive tables, the main lines of development. It will be noted that signs of improvement are not altogether lacking. The reports show that in most countries serious steps have been taken to decrease expenditure by reduction of tariffs and to increase revenue by taxation. The monetary situation is decidedly better than two years ago. There has been a reduction in note circulation in fourteen out of twenty-one countries and the fluctuations of prices and exchange changes are much less violent than during the first two years after the Armistice. Stress is laid upon the great difficulties in connection with the heavy debts incurred by almost all States during and since the war. Very few countries are able to avoid borrowing, although several of them have only had recourse to loans for capital purposes. The United States and the United Kingdom alone show any considerable surplus for the reduction of the public debt. In the cases of Finland, Sweden, and Canada the debt has been almost constant during the last three years, and any funds raised by means of borrowing have been devoted exclusively to new construction. The increase in the public debt in Australia, New Zealand, South Africa, and Japan is almost entirely due to capital expenditure only. The current expenditure of Norway, Holland, Switzerland and India has not yet been balanced by ordinary revenue, but in all those countries the latest estimates show an improvement in the situation.

In France, Belgium and Italy, the expenditure for reconstruction in areas devastated during the war has played an important role. About one-half the total expenditure of France is charged to the Budget of Expenditure recoverable under the terms of the Peace Treaty. Austria has been enabled to abstain from printing new paper money to meet the needs of the Treasury.

The policy of granting subsidies for the purpose of lowering prices was abandoned by most countries in the course of the two years following the Brussels Conference, and in those countries where subsidies are still being granted the amounts expended have been considerably reduced. Subsidies were abolished entirely in 1921 in France, the United Kingdom, and South Africa, and in 1922 in Denmark, Holland, Sweden, and Switzerland. In Belgium and Czechoslovakia, the expenditure on subsidies has also been greatly reduced. The position is reversed, how

ever, in the case of an employment, and some States have had to incur heavy expenditure on this account in the last two years.

With the exception of Sweden, where taxation has been very high, all the neutral States have found very considerable difficulties in covering their current expenditure by means of current receipts, and have not, so far, been able to devote any fund to repayment of debt.

di *The Refugee Loan Scheme of the Greek Government*

M. Politis, representative of the Greek Government, informed the Council at its meeting of February 2nd that his Government found it absolutely indispensable to raise a loan of £10,000,000, for which it was in a position to afford ample security for the interest and sinking fund. This money was to be devoted solely to the refugee problem, and considering the humanitarian character of the work, the Greek Government desired to obtain the moral support of the League, it therefore asked the Council to send the Greek Government's proposals to the Financial Committee of the League for examination and report, and the Council agreed to do so.

3. COMMUNICATIONS AND TRANSIT

Meeting of Railway Experts Committee in London — At the request of the Advisory and Technical Committee for Communication and Transit, a Committee of Railway Experts met in London, on February 19th, to consider the scheme for the Draft Convention on the International Regime of Railways provided for by the Barcelona Conference and the Treaty of Versailles.

The material with which the Committee had to deal consisted of two drafts, one for a General Convention, the other for a set of model regulations for the execution of the Convention. The draft of the General Convention is based on the principles of public law regarding international railway transport contained in such treaties and agreements as up to now have been concluded between States and between railway administrations. Its terms are intended to be carried out gradually by means of special bilateral agreements between States or administrations, and are sufficiently general to enable them to be applied not only in Europe but in all parts of the world.

The set of model regulations is intended to assist States and administrations in the execution of the principles of the General Convention. They carry no obligation, may be altered by the parties, and are merely designed to form a basis for the separate conventions to be concluded between States or railway administrations in accordance with the aims of the General Convention.

The principal questions dealt with both in the General Convention and in the model regulations are arrangements regarding national railway lines that converge at the frontiers, technical units and interchange of rolling stock, transport contracts, railway tariffs, arrangements for accounts and the matter of complaints and claims.

4. COMMITTEE OF INTELLECTUAL COOPERATION

(1) *Council Resolutions*. — On January 10th the Council approved two proposals made by the Committee on Intellectual Cooperation.

The first was the draft of a questionnaire to be addressed to Governments,

Erratum. — *Twentieth Session*, Vol. II, No. 1, page 315 (Communications and Transit) paragraph 1. Convention on the Unification of Railway Laws of France. The Advisory Committee is at present considering the extension to all parts of the regime adopted by the Barcelona Conference as regards points installed on railways of national character.

prepared with a view to facilitating the Committee's enquiry into the conditions of intellectual work in various countries, the evils from which intellectual life is suffering and the remedies suggested.

The information asked for concerns

(1) Government departments that take part in any capacity in the direction of intellectual life and institutions for the study of educational matters and intellectual movements,

(2) Laws or bills issued since 1913, bearing on higher education, science, literature, the fine arts and intellectual developments in general,

(3) The principal official statistics for the same period, regarding education, the output of printed matter and the salaries of intellectual workers,

(4) The principal scientific, literary and artistic institutions, higher educational establishments, and prizes, scholarships and foundations for the encouragement of intellectual work,

(5) International conventions on intellectual production and education, which have been adhered to by the respective governments,

(6) The organisation of intellectual intercourse with other countries.

The second was a suggestion that the Committee on Intellectual Cooperation should be authorised to invite the officials of various institutions (academies, universities, libraries) in Eastern European countries, to inform the Committee of the more urgent needs of scholars and scientific institutions, especially as regards the exchange of books and instruments of research. Books intended for countries in need of them have in most cases up to now been forwarded through the National Exchange Departments or by the diplomatic couriers of the governments concerned.

In any case the proposed action of the Committee will not cause the League any expense, the Secretariat will merely have to classify the requests periodically received from the different countries and approved by the accredited institutions, and forward them to the address selected.

Finland has recently been added to the list of countries (Albania, Austria, Bulgaria, Czechoslovakia, Estonia, Hungary, Lithuania, Poland, Roumania, and the Kingdom of the Serbs, Croats and Slovenes), in which the Committee has up to the present time chosen the institutions for this purpose. The two Academies of Helsingfors have proposed to form a Mixed Committee.

(2) *First results of the Appeal in favour of Austria* — It may be remembered that the Committee of Intellectual Cooperation addressed an appeal to learned bodies in all countries urging them to come to the assistance of intellectual workers and intellectual life in Austria. (1) Among the letters sent to the Committee which have proved of special interest in this connection, the following may be mentioned:

(a) From Spain the "Junta para Ampliacion de Estudios" at Madrid,

(b) From the United States the "American Association for the Advancement of Science", Washington, and the Brooklyn Botanical Gardens,

(c) From France the "Société Chimique de France", Paris,

(d) From Great Britain the Universities Bureau of the British Empire, the Universities Library for Central Europe, the Universities Committee of the Imperial War Relief Fund, and the Chemical Society, London,

(e) From India the University of Calcutta and the Directorate of the Indian Medical Service,

(f) From Italy the "Regio Istituto Superiore di Belle Arti", the Pontifical Biblical Institute and the Pontifical Oriental Institute, in Rome.

(1) See *Monthly Summary*, November 1920, p. 94.

VI — Administrative Questions

1. INTERNATIONAL ADMINISTRATION

In addition to considering a large number of questions concerning the Free City of Danzig and the Saar Basin, the Council at its recent session in Paris adopted in principle a proposal to establish an advisory committee on international administration.

It was suggested by the rapporteur that the establishment of such a committee, which might be composed of representatives of the governments members of the Council, would relieve the Council of a considerable amount of preliminary work of a detailed and technical character concerning Danzig and Saar questions, and would assure a more intimate contact between the governments members of the Council and the Secretariat.

The Secretary General was requested to examine the problem and submit at the next session of the Council a definite plan for the constitution of such a committee.

2. FREE CITY OF DANZIG

(a) *The High Commissionership* — General Haking, who had been appointed Commander in Chief of the British Forces in Egypt, resigned the position of High Commissioner of the League of Nations in Danzig which he had held for the preceding two years and was warmly thanked and congratulated by the Council for the very able and impartial manner in which he had fulfilled his duties. Mr M S MacDonnell, Governor of the Western Province of Egypt, since 1910, was appointed High Commissioner to succeed General Haking.

(b) *Financial Situation of the Free City* — On February 3rd the Financial Committee of the League, in a report to the Council recommended that the Reparation Commission and the Conference of Ambassadors should be approached with a view to assuring the Free City priority for credit operations not to exceed 500,000 marks gold in order to provide it with necessary working capital. The Council approved this programme.

(c) *Competence of the Polish Diplomatic Representation in Danzig, including the question of the procedure in connection with the welcoming of foreign fleets in Danzig* — As the result of negotiations between the Polish and Danzig representatives, under the auspices of the High Commissioner, General Haking's decision of August 23rd 1922, on this subject was replaced by an Agreement which was arrived at in Paris on January 29th 1923.

This Agreement provided that the competence of the Polish diplomatic representative in Danzig was limited, as described by Article 1 of the Treaty of November 9th 1920, and that his relations with the other Polish organisations in Danzig were partly of a domestic nature, but that it would not be hampered in establishing them. As regards the reception of foreign warships, it was agreed that the first official visit of the commanding officer would be paid to the Senate of the Free City, but that the Polish diplomatic representative, in the name of his government should also have the right to exchange courtesies with him.

(d) *Representation of the Free City at International Conferences* — As in the case of the question discussed in the preceding paragraph, negotiations with

regard to the High Commissioner's decision of August 24th, 1922, on this question were held in Paris and resulted in an Agreement which is to interpret and supplement the decision. Both parties, in consequence, withdrew their appeals against it.

The Agreement emphasized the application of the general Treaty provision that the conduct of the foreign relations of the Free City is to be undertaken by the Polish Government and that the principles laid down in the High Commissioner's decision of December 17th, 1921, with regard to the interpretation of this provision should apply to the question immediately under discussion. The Agreement then specified in some detail the status of Danzig personnel at international conferences, their relations to a Polish delegate or Polish personnel, Danzig's position and the position of Danzig personnel in the lists of States and delegations represented at the conference, the arrangements to be made for a Danzig vote for the presentation to the conference of the Danzig point of view, et.

(c) *Report by the Secretary General for the period September 1922 to February 1923* — A general report on Danzig questions, covering this period, has just been prepared by the Secretary General for the Council. It contains the text of the decisions given by the High Commissioner during this period and references to a large number of questions concerning the Free City which are still pending, some of which may come before the Council at a future date.

3. STAR BASIN

(a) *Appointment of the Governing Commission* — The Council reappointed for another year from February 13th, 1923, the Chairman and three members of the Governing Commission:

M. Lambert (Belgian),
Count de Moltke Huitfeldt (Dane),
M. V. Rault (French member and Chairman),
Mr. R. D. Waugh (Canadian).

The Secretary General was requested to thank them for the services rendered to the League during their period in office.

b) *Presence of French Troops and development of the local gendarmerie* — *The Jurisdiction of French Courts Martial* — *Preliminary measures in view of the Plebiscite* — The Council, with reference to previous decisions on the subject, adopted a resolution requesting the Governing Commission to take measures for increasing the strength of the local gendarmerie. At its next session the Council will consider the programme drawn up by the Commission. After examining the arguments advanced concerning the employment of French gendarmerie, the Council agreed that the French gendarmerie should be used for the purpose of policing the French troops.

As regards the question of the jurisdiction of French Courts Martial, the Council considered that it was unnecessary to discuss this subject as, since the adoption of its resolution of June 20th, 1921, no case had arisen.

The Council considered the first report of M. Bonzen, Provisional Records Commissioner for the Star Plebiscite and requested him to prepare as soon as possible the text of a draft decree specifying the documents to be placed under the protection of the League.

4. MANDATES

The procedure to be followed in respect of petition regarding inhabitants of mandated territories was agreed upon by the Council at its Paris session.

The Italian representative at Salandra, set forth in his report the general principles observed by the Permanent Mandates Commission in drawing up its suggestions, which are made with a view to affording the inhabitants of mandated areas a just application of the principles of the Covenant. "Important as it is", reads the report, "in the interests of justice and of peace that every serious and sincere petition should be impartially investigated by the League of Nations, it is no less important in the interests of justice and of good government to discourage scurrilous or trivial petitions by persons whose motives may be either culpable or frivolous."

The Council thereupon adopted the following rules of procedure:

All petitions to the League of Nations by communities or sections of the populations of mandated areas should be sent to the Secretariat of the League of Nations through the Mandatory Government concerned, the latter should attach to the petition such comments as it may think desirable. Petitions regarding the inhabitants of mandated areas received from any source other than that of the inhabitants themselves should be communicated to the Chairman of the Permanent Mandates Commission, who will decide which, if any, by reason of the nature of their contents, or the authority or disinterestedness of their authors, should be regarded as claiming attention. This should be communicated to the Government of the Mandatory Power, which will be asked to furnish such comments as it may consider desirable.

The Permanent Mandates Commission, after discussing any petitions received, will communicate to the Council and the States Members of the League those which it considers might be of a nature to claim their attention.

VII — Protection of Minorities

Various questions concerning the protection of minorities in Poland, Esthonia and Latvia were discussed by the Council at its twenty third session.

4. *The German Minority in Poland* — In virtue of Article 91 of the Treaty of Versailles a number of colonists, formerly of German nationality, who are now domiciled in Polish territory previously belonging to Germany, have acquired Polish nationality. They occupy their holding under contracts which, although concluded prior to the Armistice with the German Colonisation Commission, have not been registered and are not recognised by the Polish authorities. The Polish Government regards itself as the legitimate owner of these holdings under Article 25b of the Peace Treaty, and, in this capacity, as entitled to cancel the contracts. In consequence, the Polish authorities have taken measures by which the colonists will be expelled from their farms.

At the instance of the Council, before which this question was first brought in 1921, the Polish Government has twice granted a reprieve. In September 1922 the Council invited a Committee of Jurists to consider certain legal points in regard to the contracts of colonisation and requested the Polish Government to communicate its observations on the subject (1). The discussion was resumed by the Council at its twenty third session, when a note from the Polish Government, setting forth its comments on the report of the Committee of Jurists was considered.

In this note the Polish Government states that the cases brought forward by the Jurists have no bearing on the question of the German Minority in Poland and in no way invalidate the legal arguments adduced by the Polish delegate. The Polish Government is not in a position to grant title deeds to persons who, in pursuance of an 1921 Polish policy, have established themselves on sites belonging to the Polish State in virtue of contracts with German authorities.

(1) See *Report of the Committee of Jurists*, September 1922, p. 6.

The Council considered that, in these circumstances, a further study of the question would be necessary and adopted a resolution to request the Permanent Court of International Justice to give an advisory opinion on certain legal aspects of the case, namely, to determine (1) whether the case involves international obligations of the kind contemplated by the so called Minorities Treaty of June 26th, 1919, between Poland and the Principal Allied and Associated Powers and whether, in that case, it comes within the competence of the League, and (2) whether if so the position adopted by the Polish Government is in conformity with its international obligations. Any individual cases of expulsion which may take place meanwhile will be examined by the Council when it shall have received the Court's opinion.

Another question concerning the interpretation of Article IV of the Minorities Treaty in regard to the acquisition of nationality was considered by the Council, but in view of the fact that negotiations were taking place between the German and Polish Delegations at Dresden, the Council decided that for the moment it would not submit this question to the Court, but would await the result of the negotiations, reserving its full rights under the Minorities Treaties.

b) *Minorities in Estonia* — M. da Gama communicated to the Council on February 2nd the result of his negotiations with the Estonian Government regarding Estonia's international obligations as to the protection of minorities. (2)

In his report M. da Gama stated that, if the Council adopted the suggestion of the Estonian delegate made at the September session, namely, that the Council should take note of the fact that the rights of minorities were sufficiently guaranteed by the minority provisions of the Estonian constitution, it should reserve its right to intervene, not only in the event of the amendment of the so called minority provisions, but also in the case of their non execution.

The Council requested M. da Gama to continue the negotiations with the Estonian Government and to present a report to the fourth Assembly.

c) *Minorities in Latvia* — Owing to the resignation of the Latvian Cabinet the Council decided, at the request of the Latvian Prime Minister, to postpone the examination of the question of the protection of minorities in Latvia until its next session.

d) *Jewish Minorities in Hungary* — The Hungarian Government, in accordance with a previous request of the Council to furnish information to enable it to follow the working of a Hungarian law, passed in 1920, concerning the admission of Jewish students to universities and higher educational establishments, has communicated to the Secretariat a statistical document regarding the proportion of Jewish students having matriculated at Hungarian universities and law schools.

According to the information received, the proportion of Jewish students at the principal Hungarian universities is as follows: Budapest University, first half year of 1920-1921 70%, second half year 70%, Szeged, 26.1 and 23.3%, Pecs 47.2 and 57.2%. Debreczen, 4.9 and 7.0%, Budapest University of Technical Science, 7.8% for both periods. Budapest School of Economics, 3.5 and 4%.

VIII — Political Questions

1 THE FRONTIER BETWEEN HUNGARY AND CZECHOSLOVAKIA (3)

On January 31st the Council heard statements on the delimitation of the Hungarian-Czechoslovak frontier by General Tanczos (Hungary) and M. Osuský (Czecho-

(1) See *Monthly Summary*, October 1921, p. 11, and September 1922, p. 20.

(2) See *Monthly Summary*, September 1922, p. 32.

(3) See *Monthly Summary*, January 1923, p. 14.

Czechoslovakia) The representatives of both countries declared that they were willing to accept the good offices of the Council for arbitration, which implied that acceptance of the Council's decision would be obligatory. It is interesting to note that, in previous cases—except that of the Austro-Hungarian frontier, which was provided for by the Venice Convention—the arbitration had not been obligatory.

The Council requested M. da Gama to remain in touch with the experts of both parties in order to report on this question to the next Council session.

The experts met at the League Secretariat on February 26th. Hungary was represented by General Tanczos and Captain Pentsy, Czechoslovakia by M. Rubik. Two members of the Boundaries Committee, Lieutenant Colonel Corev and Colonel P. Ilcicki, attended the meeting.

2. EASTERN CARELIA

The question of Eastern Carelia was again brought before the Council at its twenty-third Session, when M. Enckell, the Finnish Minister in Paris, gave the views of his Government as to the non-execution of the guarantees stipulated on behalf of the population by the Treaty of Dorpat of October 14th, 1920, between the Finnish and Soviet Republics.

This question has been a long-standing one. Brought before the Council originally in 1921, the Council recommended at its meeting in January 1922 that one of the States Members of the League in normal relations with the Soviet Government should lend its good offices to effect an agreement between the two parties. The steps thus taken, however, led to no result, the Soviet Government holding that the question of Eastern Carelia was one of purely domestic concern.

On November 10th, 1922, Finland asked the Council in accordance with Article XIV of the Covenant, to refer the question as to the nature of the case to the Permanent Court of International Justice. At the Council session just held, M. Enckell elaborated the views of his Government and the members of the Council decided to examine the question along these lines.

3. POLAND AND LITHUANIA

a) *The neutral zone* — The question of the neutral zone established by the Council in the Vilna region between Polish and Lithuanian territory assumed considerable importance during the month, when the Council, in order to put an end to the disorders prevailing in this territory, came to the decision to lay down a temporary administrative line on the respective sides of which Poland and Lithuania might exercise jurisdiction subject to a final frontier settlement. The Poles accepted this settlement but the Lithuanians refused it, the latter afterwards requesting the Council first to refer certain legal questions involved to the Court of Justice and later requesting an extraordinary session of the Council itself.

During the Council session in Paris, M. Saura, Spanish Consul General at Brussels, presented a report on the mission entrusted to him in connection with the tracing of a provisional line of demarcation in the neutral zone in the Vilna district which had originally been established on the recommendation of the League's Military Control Commission. The Council, after hearing this report and the observations made by M. Aščienay and Sidzikaukas, the Polish and Lithuanian representatives respectively, made a recommendation laying down a temporary administrative line aimed at putting an end as soon as possible to the state of disorder and insecurity which at present reigns in these zones. The two Governments were granted the right to establish their administrations as from February 15th in the

parts of the neutral zones defined in the recommendation, it being understood that the demarcation was of a provisional character and that the territorial rights of both States would remain absolutely intact. The Council reminded both Governments of their solemn undertakings to refrain from all hostile acts and asked them to use every means in their power to disarm and disband all the irregular formations which might be found in the districts entrusted to their administration.

Mr. A. Lenary accepted the Council's recommendation on behalf of Poland. Mr. Sidzikauskis, however, declared himself unable to accept as his Government could not recognise any other demarcation line than that laid down by the Convention of Suwalki of October 7th, 1920 which, he said, was violated when General Zeligowski entered Vilna. M. Viviani, President of the Council, then reminded the two parties that, by the terms of the last paragraph of Article XV of the Covenant, when a recommendation of the Council is accepted by one of the two parties but refused by the other, the latter cannot have recourse to violence without breaking the Covenant. In this case the provisions of Article XVI regarding an economic blockade would be applicable. Were Lithuania to commit a hostile act, he gave notice that the Council would meet to consider the question.

Later on, after the Council Meeting on February 10th, the Lithuanian Government sent the Secretary General a telegram in which, confirming its declaration to the Council of February 3rd, it asked that the following questions should be submitted to the Permanent Court of International Justice:

a) Given the circumstances, had the Council the right to make a recommendation and, if so, are the terms of the declaration of February 10th in conformity with the Covenant?

b) Does the Covenant of the League give to one of the two parties the right to act in accordance with the recommendation of the Council in spite of the opposition of the other party?

This request of the Lithuanian Government was placed on the provisional agenda list of the next Council meeting.

Later still on February 18th, the Lithuanian Government sent a telegram to the President of the Council stating that Polish troops had passed beyond the neutral zone in the Orany district and opened hostilities against Lithuanian troops. In consequence the Lithuanian Government asked him to take all necessary measures, including the summoning of an extraordinary meeting of the Council, to prevent the conflict being extended. On the other hand the Polish Government sent two telegrams on February 17th to the Secretary General, informing him of the concentration of Lithuanian irregular forces and of engagements in the region of the Grodno Vilna railway.

Whilst awaiting the arrival of further information requested by the Secretary General the President of the Council M. Viviani, sent a telegram to the two Governments reminding them of their solemn undertaking to the Council on January 13th, 1922, to refrain from all acts of hostility and drawing their attention to the importance, for the preservation of peace, of keeping strictly to the terms of the Council recommendation of February 3rd, 1922. If this were not done the Council would be compelled to meet, as was stated at the time the recommendation was passed.

The Members of the Council are being kept informed of the situation by the Secretary General, no further incidents of any great importance have been reported.

b) *Situation of the non Polish elements in Vilna* — This question was brought before the Council by an Assembly resolution recommending to its special attention (1) the situation of the non Polish element in the Vilna district, and also by an appeal from the Lithuanian Government.

At its meeting of February 1st the Council decided that all questions relating

to the matter should be laid before and treated by the League in conformity with the normal procedure established by the Minorities Treaty of June 28th, 1919

4 THE MOSUL QUESTION

At a public session of the Council on January 30th, Lord Balfour made a statement arising from a letter which Lord Curzon had sent on behalf of the British Government to the Secretary General of the League concerning the frontiers of the mandated territory of Iraq. As indicated in Lord Curzon's letter, the difficulty to be faced was the result of a difference of opinion at the Lausanne Conference. The matter deeply concerned the League because the territory, being mandated was ultimately under the supervision of the League, and there were still greater interest at stake, namely, those of peace.

Lord Balfour recalled that Lord Curzon, supported by the French, Italian and Japanese representatives, had proposed at Lausanne that the League of Nations should be requested to determine the frontier between Iraq and the Turkish territories in Asia Minor. Unfortunately the Turkish representatives had not accepted this proposal, though Lord Balfour earnestly hoped that they might still do so. If Turkey persisted in her refusal the British Government would have to contemplate the dangers which might ensue and invoke Article XI of the Covenant, but the Government desired it to be clearly understood that this would only be in the event of the peace of the world being threatened. He pointed out that in that case the British representative on the Council would certainly move that the Covenant should be interpreted in the sense that Turkey should take part in the discussion in full and absolute equality with the Members of the Council. If there were no threat to peace, it would not be necessary to take the steps which otherwise the British Government proposed should be taken.

On behalf of the Council, M. Viviani noted Lord Balfour's statement, which he described as a declaration rather than a proposal, adding that he hoped it would be possible to preserve the peace of the world.

5 ALBANIA

The Council decided, at its meeting of February 3rd, to forward to the Conference of Ambassadors a recommendation of the League Commission of Enquiry in Albania to the effect that the frontier between Greece and Albania in the district of Koritza should be promptly determined.

The Council further requested a Sub Committee, composed of Lord Balfour, M. Branting, M. Scalandra and M. Viviani to come to a final decision, regarding the appointment of a Financial Adviser to the Albanian Government.

6 THE MIXED ARBITRAL TRIBUNALS

The French Government having called the Council's attention to the fact that it had not yet made certain appointments foreseen in the various Peace Treaties the Council at its twenty third session, designated a number of substitute members for the Franco German, Franco Austrian, Franco Bulgarian and Franco Hungarian Mixed Arbitral Tribunal.

These Tribunals were established under Article 304 of the Treaty of Versailles and similar clauses of the Treaties of St. Germain, Trianon and Neuilly to settle differences regarding debts, property, contracts, claims, interest, and so forth. The Council of the League was entrusted with the task of appointing for each tribunal substitute, who may in case of need replace the President or one of the national

members, the substitutes to be nationals of Powers which remained neutral during the war. If, in case of vacancy, a Government does not within the period of one month appoint a member of the Tribunal, such member is to be chosen by the other Government from the substitutes selected by the Council. The substitutes chosen were as follow.

Franco German Tribunal

M. Cedercranz	(Sweden)
Dr. Limburg	(Holland)
M. Alvarez	(Chile)
M. Nyholm	(Denmark)
M. Guex	(Switzerland)
M. Bredal	(Norway)
M. Domingo de las Barceñas	(Spain)
M. Larreta	(Argentine Republic)

Franco Austrian Tribunal

M. Benjman	(Norway)
M. Egger	(Switzerland)

Franco Hungarian Tribunal

M. Simon Plana Suarez	(Venezuela)
M. Thorbecke	(Holland)

Franco Bulgarian Tribunal

M. Duplan	(Switzerland)
Dr. Luc Housse	(Luxembourg)

7 THE ARMENIAN QUESTION

The Belgian representative, M. Hymans, informed the Council at its meeting on February 2nd that an international Committee, on which the United States would be represented, might be formed for the purpose of studying the Armenian question and endeavouring to find means of providing the 100 000 Armenians in Syria, Turkey and Greece with a place of refuge.

At the suggestion of M. Hymans, the Council decided to instruct the Secretary General to follow attentively any action the Committee, if and when established, might take, to study relevant documents and—as far possible—to assist the Committee.

IX — Social and humanitarian Questions

1 REFUGEES

a) Russian Refugees

On February 2nd, Dr. Nansen presented to the Council his report on the present situation of Russian refugees in the Balkan States and Constantinople. After giving a survey of the measures taken to ensure the entire evacuation of the refugees in that city, the High Commissioner described the conditions attaching to their repatriation and reported on a plan of agricultural reconstruction which would provide repatriated refugees with the necessary implements and seeds.

The Council noted and approved the report, thanking Dr. Nansen for the work done.

1) Asia Minor Refugees

Dr Nansen, High Commissioner for Refugees presented a report to the Council upon the measures which he had taken to assist the Asia Minor refugees. The efforts of the Greek Government and the charitable organisations, notably the American Red Cross and the All British Fund, had helped in some degree to ease the situation by the distribution of food stuffs, clothing and medical stores, and the establishment of refugee camps. The British Government had also contributed £19,000, and other members of the League a similar sum towards the fund opened at the Assembly. This fund enabled the League to undertake emergency feeding pending the arrival of voluntary relief organisations, and to start an anti epidemic campaign which has been materially instrumental in preventing the spread of disease among the refugees and the civil population. As a result of an appeal in Great Britain the High Commissioner has been able to send 1400 cases of clothing, weighing 30 tons, to the refugees in Greece.

2 DEPORTED WOMEN AND CHILDREN

The Council took note of a letter from Dr Kennedy, the Chairman of the Commission of Enquiry on Deported Women and Children in Turkey and Greece stating that he had been advised by the British High Commissioner that, owing to the political situation in the Near East the British member of the Commission should leave Constantinople. It had therefore been arranged that Dr Nansen's organisation should temporarily occupy the premises of the Commission of Enquiry and employ the non Allied members of the staff. Mrs Cushman, an American member of the Commission of Enquiry, had been given a power of attorney to enable her to meet current expenses.

3 TRAFFIC IN OPIUM

The Report on the Fourth Session of the Advisory Committee on Traffic in Opium (1) was approved by the Council on February 5th and the Secretary General was requested to carry out the recommendations it contained.

Several points were singled out for particular mention. The Council recognised the importance of the fact that the United States had, for the first time, been represented on the Committee and noted that, at the request of the American member, the definition of the word 'legitimate', as applied to the world's requirements of opium and other narcotics, had been placed on the agenda of the next meeting of the Committee, to be held in May.

As the questions of world production of the consumption of opium in the Far Eastern colonies and of the control of the manufacture and distribution of cocaine, morphine and other drugs are also to figure on the agenda of the May meeting, the Council decided again to urge all Governments which had not yet sent in their Reports for 1921 to do so as soon as possible in order that all the necessary data might be available.

Note was taken of the Committee's decision to defer its opinion on the advisability of asking Governments to refuse licences for the importation of opium from countries that had not ratified the Opium Convention or adopted the League system of import and export certificates. While approving this decision in view of the changing situation at present the Council endorsed the Committee's view that the import certificate system was a direct corollary to the stipulations of the Opium

(1) See Monthly Summary, Vol. III No. 1 p. 16.

Erratum — Monthly Summary Vol. III No. 1 p. 15.

The name of His Excellency M. Fetzers (Prussia) should be included in the list of members of the Advisory Committee on Traffic in Opium.

Convention and requested the Committee to continue its deliberations and give its opinion at its next meeting.

With regard to the important question of publicity, the Council agreed that the problem of the suppression of the illicit traffic in drugs could never be dealt with satisfactorily until the interest of the public was aroused and sustained. It declared that the Advisory Committee had full right to decide whether its meetings were to be held in public or not.

A proposal made by the French delegate regarding the importance of reinforcing the penalties provided by existing laws for illicit traffic in dangerous drugs was referred to the Advisory Committee for its consideration.

X — Forthcoming Events

March (end of month)	Meetings of Sub Committee's of the Committee on Intellectual Cooperation, Brussels
March 22nd	Second Session of the Advisory Committee on traffic in Women and Children, Geneva
March 22nd	Fourth Session of the Sub Committee on the Equitable Treatment of Commerce, Geneva
March 26th	Eighth Session of the Economic Committee, Geneva
April 10th	Twenty fourth Session of the Council of the League, Geneva
April 16th	Meeting of the Permanent Advisory Committee on Naval, Military, and Air Questions, Geneva
May 15th	Ninth Session of the Economic Committee, Geneva
June 4th	Meeting of the Temporary Mixed Commission for the Reduction of Armaments, Geneva

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Howard F. Huxton
Chief of Internal Services

MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

SUPPLEMENT

Vol. III

March 1923

THE FINANCIAL RECONSTRUCTION OF AUSTRIA

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I — Preface

PROGRESS IN THE FIRST FOUR MONTHS

The Geneva Protocols were signed on October 4th, 1922

The scheme embodied in these Protocols is described in the *Monthly Summary Supplement* of October. It is essentially one of financial reconstruction. It aims at enabling Austria to balance her budget in two years, by the end of 1924, and to be thenceforth in a position to meet her expenditure with her revenue without either borrowing or inflation. As it was essential, however, that inflation should stop at once, while it would take two years to reduce expenditure and increase taxes enough to balance the budget, it was necessary to meet the deficit of the two years by loans. The scheme required that the necessary loans for the first few months should be raised in Austria, but contemplated external loans amounting to 650 million gold crowns (£27 million sterling) for the rest of the period. This sum was to be raised on the security of Austria's own assets (particularly the customs and tobacco monopoly), further guaranteed in different proportions by the countries participating in the scheme. The execution of the whole scheme was to be controlled by a Commissioner General responsible to the League of Nations, while the interests of the Guaranteeing Powers were to be further watched by a Committee of Control.

If this scheme succeeds, Austria will have a financial basis for her economic life. No merely financial scheme can, of course, completely solve the Austrian problem. Austria must, with her visible and invisible exports, earn as much as she consumes, and it is impossible yet to say what adaptations in her life and the occupations of her people this may involve. A sound financial basis is essential, for with an unbalanced budget and a depreciating currency no normal and stable economic development is possible. With this basis, economic agreements and development of her economic relations with other countries can, of course, assist, but in the last resort it is a problem to be solved by her own people. The specific contribution of the League scheme is to assure the financial basis. When the budget is balanced and the Council finds that Austria's financial stability is assured, although a specific control of the revenues assigned to the service of the loan will still remain, the Commissioner General's appointment will terminate.

In the execution of the scheme up to December 31st, 1924, three main periods may be conveniently distinguished:

- (1) The period before the negotiations for the external loans (roughly October 1922 to January 1923),
- (2) The period during which the external loans are being negotiated and raised (this may perhaps cover a large part of 1923),
- (3) The subsequent period till the end of 1924, when the budget should be balanced.

The first of these periods may be regarded as closing with the meeting of the Council of the League and its Austrian Committee from January 20th to February 3rd, 1923. It is the object of the present publication to describe the progress made between the signature of the Protocols and this date.

THE PASSING OF THE AUSTRIAN LAWS

(a) *The Reconstruction Law*

Austria was required by Protocol III to draw up "within one month, in collaboration either with the Commissioner General or with such provisional delegation of the Council of the League as may be appointed a programme of reforms and improvements, to be realised by stages and designed to enable Austria to re-establish a permanent equilibrium of her budget within two years."

The Delegation appointed for this purpose consisted of the members of the League's Financial Committee who had drawn up the main financial scheme. It arrived at Vienna on October 17th and, with some rotation of personnel, worked there continuously till December 15th, after which the Commissioner General, Dr. Zimmerman, took charge.

The Austrian Government drafted a Reconstruction Law including provision for economies (administrative reforms, reorganisation of State enterprise, etc.), for new taxes (higher customs duties, consumption taxes, direct taxes and taxes on business transactions). Its terms as amended after discussion were agreed with the Delegation and the law was passed by a majority vote on December 3rd. In addition a detailed programme showing the maximum expenditure permissible under each main heading and the estimated revenue at different periods till the budget was balanced was agreed between the Delegation and the Government.

The expenditure allowed under this programme is at the annual rate of (1)

January 1923	569.7 million gold crowns
July 1923	515.8 — —
January 1924	477.9 — —
July 1924	438.9 — —
December 1924	350 — —

(1) It is to be noted that the above figures are approximate, and are subject to revision in the light of the actual results of the negotiations.

The estimated revenue receipts in 1924 exceed the latter figure, but the yield of new taxation is difficult to calculate. A margin was therefore allowed and with this margin the Delegation was satisfied that the programme, if properly executed was such as to offer a prospect of budget equilibrium by the end of 1924.

(b) *Law to confer Plenary Powers*

The Austrian Government was also required to lay before the Austrian Parliament a draft law, giving, during two years to any Government which may then be in power, full authority to take all measures within the limits of this programme which in its opinion may be necessary to assure at the end of the period mentioned the re-establishment of budgetary equilibrium without there being any necessity to seek for further approval from Parliament."

This law was necessarily a constitutional law, requiring a two thirds majority, this involved agreement with the Opposition parties. In the form in which it was ultimately passed the law creates an Extraordinary Cabinet Council, consisting of members of the Government and twenty six members elected by the National Council so as to give representation to the different political parties in proportion to their numbers. Most measures in execution of the programme can be taken directly by the Government under the Reconstruction Law, but some of the more important measures as well as any modifications of the programme considered necessary by the Government, must be approved by this Cabinet Council. These discussions are, however, limited to eight days and in certain cases to three days.

The Council of the League on February 1st passed the following public resolution with regard to the working of this law:

"The Council is convinced that in so far as measures of reform are submitted under the Constitutional Law to the Extraordinary Cabinet Council, this arrangement should not be used to render less effective the decisions required for the rapid execution of the programme of reform. The Council relies upon the spirit of co-operation and patriotism of the members of the Extraordinary Cabinet Council to assist the Government effectively in the heavy task which it has courageously undertaken. It is only by increasing energy and united action by using their rights with a due sense of responsibility and by giving to and obtaining from the Government all powers which may be necessary, that they will crown their work with success."

In addition to the above laws, certain subsidiary laws were passed (as described in the Delegation Report) and the Geneva Protocol was ratified.

New Bank of Issue — It was an essential part of the League's scheme that the issue of paper money by the Government to meet its expenditure should cease, and that for this purpose a new Bank of Issue, independent of the Government, should be created and should alone have the right of note issue.

The necessary legislation, including the new statutes of the Bank, was passed by Parliament on November 14th. The inflationary issue of notes by the Government ceased on November 18th. The capital of 30 million gold crowns required was fully subscribed and the new Bank opened its doors on January 2nd.

The Bank is under the control of a Board which includes no official and with the exception of its President, Dr. Reich, all its members are elected by the shareholder.

The operations of the Bank are purely commercial. Neither the Federal Government, the provinces nor the municipalities issue paper money or can have recourse directly or indirectly to the funds of the Bank for their own needs, without paying in gold or securities the exchange value of the notes received. The issue of notes will be kept within fixed limits, the metallic cover being increased by stages from 20 to 33 3/4%, this cover does not apply, however, to that part of the fiduciary

circulation which represents loans previously made to the State by the Austro-Hungarian Bank.

The first balance sheet of the new bank shows a satisfactory position as against liabilities of 44,1 milliards, viz.

Fiduciary circulation—43,4 milliards

Current Accounts—41,7 milliards

There find realisable assets of 1,195 milliards in gold and securities. The commercial assets amount to 7,2 milliards and the Treasury Bonds remain at the same figure—2,58 milliards—as in the last balance sheet of the old bank. The reserve in gold and foreign securities therefore amounts to 26,4% of the liabilities or 7% more than the obligatory percentage under the statutes. For various technical reasons explained in Dr. Zimmerman's Report (see pp. 17-18), the position is in reality more favourable than the figures indicate.

The result is due to the absorption in the new Bank of the "Devisen Zentralbank". This was formerly a separate organisation under the Government through which operations in foreign exchange were centralised and controlled. Owing to the return of confidence, the supply of foreign currency—at a rate of exchange which within narrow limits remained stable—proved largely in excess of the demand. The "light" from the crown was replaced by a return "light" to the crown. Foreign securities and currencies previously hoarded were brought back and converted into crown.

Commercial operations previously conducted in foreign exchange were now conducted in Austrian crowns—now become one of the most stable currencies in Europe, and the gold value of the currency in circulation proved adequate for the requirements of the market. Additional notes were printed but, unlike those printed up to November 18th, every additional note was covered by its full value in additional reserve of gold or foreign currency. The result was that each of the 4,000 milliard notes circulating in January was better secured than the 3,000 milliard in November, and the value of the reserve of the Devisen Zentralbank rose from £1,000,000 in October to no less than £4,000,000 by the end of the year.

Financial Position.—In the period now being summarised the expenditure of the Austrian Government was met entirely by internal resources.

Up to November 18th, the old inflationary methods continued: the Government borrowed from the Bank which increased correspondingly the issue of notes. Owing to the new confidence resulting from the League scheme, there was no inflation without any of the resulting evil of inflation—that is without any fall in the exchange value or in the purchasing power of the crown. Indeed, an increase in the note issue was necessary if the crown were not to rise considerably in value (an event which would have had disastrous economic results), for the previous fall in exchange value had altogether outrun the increase in the note, and at the beginning of September the gold value of the total Austrian currency was only 10% of its gold value in 1919.

Inflation could not, however, have continued without producing its normal ill effects, and, when it stopped on November 18th, internal loans became necessary. The Government successfully raised by January 10th, 30 million gold crowns on 7 months 8% Treasury Bonds quoted in dollars and secured on the gross receipts of tobacco and tobacco monopoly, in addition to the 30 million gold crown raised as capital for the new Bank of Issue and the 18 millions produced by the forced loan.

With the aid of these loans and an operation based upon 7 1/2 million gold crowns, worth of certain gold in possession of the Government, the deficit was covered till the end of January. There remained the balance of certain credits advanced in 1922 by the Governments of France, Italy and Czechoslovakia, which amounted together to about 640 milliards of paper crown. It is with these funds and certain

other limited resources that the Austrian Government must meet its further requirements until the proceeds of external short term loans are available.

Control and reforms — The first measures of control were instituted by the Delegation, which arrived in Vienna on October 18th. A special controlled account for the gross receipts of the customs and tobacco monopoly was opened on December 9th. All the proceeds of loans are paid into a second account, also under control, and a system of statistical returns was instituted in order to keep the Controlling Authority informed of the weekly returns of the gross receipts from customs and tobacco, the operations carried out by the Central Exchange Office, the operations of the Bank, the position of the Central Treasury, the total State receipts and expenditure summarised according to Ministries, and the advance estimates of requirements week by week. This information enables the Controlling Authority to decide how far drafts upon the controlled accounts are really necessary.

Pending the arrival of the Commissioner General, the administrative reforms which the Austrian Government had agreed to put into effect could only remain in a preliminary stage. Railway and postal rates were, however, raised in October, the increase being, in view of the stability of the crown, for the first time a real one. The number of officials was reduced by about 10,000 during October and November.

On December 12th the appointment of Dr Zimmerman, Burgomaster of Rotterdam, as Commissioner General was announced. He arrived at Vienna on December 15th, and began his control on December 16th. He immediately took up in detail the question of reform with the Austrian Government. It had been agreed between the Austrian Government and the Delegation that 100,000 officials should be dismissed before July 1st, 1924, i.e., 25,000 before January 1st, 1923, and 25,000 during each subsequent half year. The Austrian Government carried out the first stage of this programme practically up to time. On December 31st, 23,651 officials had been dismissed, and by January 15th, 1923, the number had risen to 25,404. Dr Zimmerman considers, however, that this part of the reform programme, which will become more and more difficult, necessitates—if it is not to dislocate the whole administration—a general reorganisation. Certain offices should be closed, others fused. Overlapping should be stopped and complicated forms of procedure simplified. He desires that the ten existing Ministries shall be cut down to eight, that the Post Office and Telegraph and Telephone Services shall be thrown together and that general administrative reforms and the reduction in officials shall be concentrated under one authority. In this connection the Council passed the following resolution:

"Where recognising the considerable reduction in the number of officials which has already been achieved, the Council ought to draw attention to the passage of the Commissioner General's Report in which he points out that a satisfactory continuation of this reduction will only be possible if a radical reorganisation and simplification of the administrative system is undertaken, and if the reforms are carried out with unremitting determination and, so far as possible, by the concentration of administrative powers in a single authority."

Budget — Before the arrival of Dr Zimmerman, the Delegation had agreed with the Austrian Government upon a detailed scheme to enable expenditure to be reduced at regular intervals, and providing for the reduction of the total budget in 1923 to a sum of 350 million gold crowns. The first stage in this scheme involved an average monthly deficit of 339 milliards of paper crowns during the period January to June 1923. As the results of administrative reforms could not be expected to have full effect upon the budget during the early months of this half year Dr Zimmerman agreed to a budget for the month of January only, which provided for a deficit of 404 milliards. The budget for 1923 prepared by the Austrian Government has been kept strictly within the limits laid down by the Delegation, whose programme, as stated above, provides for the balancing of the budget by July 1st, 1924.

Issued revenue — As stated above the assigned revenues from the custom and tobacco monopoly were, from December 9th, paid into a special account from which no money can be drawn without the authority of the Commissioner General. The following amounts have been received

	CUSTOMS	Tobacco	Total
	(in millions of paper crowns)		
October 1922	57	100	157
November 1922	61	116	177
December 1922	58.5	86.8	145.3
January 1923	65	102	167

From the point of view of serving as a security these returns are very satisfactory. The monthly average since October 1922 is equivalent (at the average rate of Exchange for this period) to about 13.6 million gold crowns per annum, which is much more than sufficient to meet the service and amortisation of a loan not exceeding 650 million gold crowns required to carry out Austrian reconstruction.

Preparatory arrangements for the External Loans — Under the Geneva Protocol four countries, Great Britain, France, Italy and Czechoslovakia, together guaranteed 8½% of the total loan of 650 million gold crowns.

Since then Belgium has undertaken 2%, Spain 4% and Holland 1%. Switzerland has arranged to make advances up to 20 million gold crowns, equivalent to a further 3%. Negotiations are proceeding for the balance with Sweden, Denmark and Norway.

On November 23rd/25th, the members of the Committee of Control of the guaranteeing Powers met at Geneva to discuss the form of guaranteeing laws requiring to be passed by the different Governments.

Since then, laws have been passed by the Parliaments of Great Britain, Belgium, Czechoslovakia and Switzerland, and authorised by Royal Decree in Italy.

The Committee of Control met again at Paris on January 29th and authorised the Austrian representatives to proceed at once, under defined conditions, for a short term loan not exceeding in value £3 1½ millions.

Conditions of the first External (Short Term) Loan — It will be interesting to note the main conditions of this loan. The loan of 3 1½ million pounds will be issued in the form of one year Austrian Treasury bills, and is preliminary to the long term loan of 27 million pounds out of which it will be redeemable. It is being issued in approximately the following proportions in the different issuing countries:

Belgium	8,500,000 franc
Great Britain	£1,800,000
France	60,000,000 francs
Switzerland	5,000,000 francs
Holland	6,000,000 florin
Sweden	1,800,000 cr.

To secure the repayment, as well as that of the Austrian interim loan and certain Italian, French and Czech credits which are also repayable out of the later loan and fall within the total maximum of £27 million, the gross receipts of the

customs and tobacco monopoly are being and will be paid direct into a special account under the control of the Commissioner General, who is responsible for retaining sufficient sums to assure interest and amortisation

These returns have averaged during the last four months 164 millions of paper crowns—or at the rate of some five million pounds a year, a sum much more than sufficient to cover the interest and amortisation of loans which are not to exceed twenty-seven million pounds

There is thus an ample security in Austria's own assets for the service for the full loans contemplated under the protocols on condition that Austria's general financial and political position remains stable, and in considering whether this condition involves any risk, it is well to remember that the guaranteeing Powers and in particular Great Britain, France, Italy and Czechoslovakia, have a strong financial interest in the maintenance of Austrian stability, since that alone will prevent any recourse to the guarantees for which they have made themselves responsible

In addition the lender to the short term loan has a full 100% guarantee from the guaranteeing Power, for the four principal Powers have already agreed for this loan to make any necessary addition to the percentages they have undertaken to guarantee under the Protocols so as to complete the 100%

The guarantors for the short term loan will be,

	%
Great Britain	74 1/2
France	24 1/2
Italy	24 1/2
Czechoslovakia	24 1/2
Belgium	2

The Spanish and Dutch guarantees will be available for the later loan in addition to the Swiss assistance

Should the Austrian assets prove inadequate so that the lenders have to fall back on the guarantees they will not have to apply to different Governments. The Governments are already, before the issue of the loan, depositing collateral bonds with the Bank of Switzerland, and if the occasion should arise these will be cashed automatically

Nor does the lender run the risk of the exchange. The portion of the loan raised in Great Britain will be in pounds sterling, and interest and repayment will be in sterling (the collateral deposited by all the guaranteeing Governments will be expressed in sterling, these Governments taking the exchange risk). Similarly, the portion issued in France will be in French francs, interest and repayment being in francs and the collateral deposited by all countries being expressed in the same currency

Finally, the security and sufficiency of the assets assigned to the loan, will be continuously watched by the Commissioner General of the League and by the Committee of Control, composed of representatives of the guaranteeing Governments

It should be added that the holders of these 12 month bills will have the right to convert into the later long term issue

Negotiations for the long term loan may be expected to follow shortly after the short term loan has been issued

General Economic and Financial Situation — Austria has not been able to avoid an industrial crisis, involving extensive unemployment. During the last quarter of 1922 the number of unemployed rose from 57,849 to 120,525 in December. It was, however, foreseen that this must happen, and when the Council approved the plan for the reconstruction of Austria, special attention was called to a passage in the report of the Financial Committee, in which it was pointed out that Austria

has hitherto been living upon public or private loans which had voluntarily or involuntarily become gifts, that the new advances must be used for the re-establishment of public finances, and not—as in the past—for current consumption, that therefore Austria would have to consume only what she could produce, and that the only alternative to collapse into a chaos of debilitation and starvation was a very painful transition period of reform.

At the recent meeting of the Council the Austrian Chancellor emphasized the importance which a well considered scheme of commercial treaties would have for tidying over the present economic and industrial crisis in Austria. Dr Zimmermann had pointed out in the concluding paragraph of his report the interaction of economic and financial forces in reconstruction. On the motion of M. Pospisil the representative of Czechoslovakia, the Council unanimously adopted the following public resolution:

"The Council recommends that the conclusion of treaties of commerce with Austria be hastened and that the scope of such treaties should be given the widest possible extension to engagements already existing."

Meanwhile, the beginning of reform in public finance has not failed to produce a favourable effect upon the whole financial life of the country. While there have been serious fluctuations in the value of most European currencies, the Austrian exchange has remained stable. In spite of a slight rise in January on the previous month, the cost of living has considerably decreased since the early autumn of last year.

October decrease of 8%	on previous month,
November	» 6% »
December	» 5% »
January increase	1% »

Savings have shown a marked increase, deposits having risen as follows:

End of September	21.2 milliards
» October	35.6 »
» November	60.4 »
» December	88.5 »
» January	124.3 »

The crown having remained stable, this represents an increase in real value, besides showing once again the return of national self confidence.

Resolution of the Council of February 1st, 1923. — Thus the first stage in the financial reconstruction of Austria has been successfully passed.

It founds its close in the meetings of the Council, of its Austrian Committee and of the Committee of Control which took place in Paris between January 20th and February 1st. At these meetings the first reports of the Commissioner General and that of the Provisional Delegation which are printed in full in this collection were discussed and approved. The Committee of Control made all arrangements necessary to enable the Austrian Government to raise the first external loan which is described above. The Council urged the conclusion of Economic Agreements complementary to the financial reconstruction. Finally, on the motion of Signor Orlando, the Italian member, the Council unanimously adopted a Resolution (see below), which constitutes the best and most authoritative appreciation of the progress which has been realised.

J. A. SALTER,

Director of Economic and Financial Section.

Resolution embodying the Work accomplished and the Policy of the Council

(February 1st 1923)

(1) The Council recognises and appreciates the substantial results already obtained in carrying out the reforms recommended in the Geneva Protocol. Legislation has been passed to secure the execution of the reconstruction programme, a new Bank of Issue has been founded, inflation has ceased, the currency has been stabilised, a preliminary, and considerable reduction in the number of officials has taken place, while the returns from certain State enterprises and important revenue producing duties have been increased. Finally, the 1923 budget has been established within the limits prescribed by the League of Nations.

(2) The Council notes with satisfaction that the Austrian Government and the Austrian public, realising the promise which it gives for the future of Austria, have co-operated in the accomplishment of this programme. The confidence of the public has been shown in the subscription of the necessary capital of the new Bank of Issue and of over fifty million gold crowns to an internal loan before any external loan have been raised. Moreover, there has been an increase in three months of more than 500 % in savings and bank deposits, and a large increase in the foreign currencies which serve as a cover for the new Bank of Issue.

(3) These striking facts have confirmed the Council in its belief that the scheme embodied in the Geneva Protocol gives ground for confident hope in the final reconstruction of Austria, on condition that the Austrian Government continues to show an relaxing determination and carries out the confidence and continuous support of the people.

(4) The Council notes the results and signs of a return of national self-confidence with the greater satisfaction because it was foreseen by the League of Nations in September 1920 that the effort required from Austria for the maintenance of her economic independence and the restoration of her prosperity required from the whole nation a spirit of sacrifice and self denial during the necessary transition period while the reform programme is being put in force.

(5) The Council is in complete agreement with the Commissioner General of whose firm action and well advised recommendations it desires to express its appreciation and approval. The Council fully agrees with him that it is essential that the financial reconstruction of Austria and budget equilibrium should within two years be an accomplished fact and that the Austrian Government, with the support of the Austrian people should proceed in the path of reform with rapidity and determination.

(6) The Council is convinced that in so far as measures of reform are submitted under the constitutional law to the special Cabinet Council, this arrangement should not be used to render less efficient the decision required for the rapid execution of the programme of reform. The Council relies upon the spirit of co-operation and patriotism in the members of the Cabinet Council to assist the Government effectively in the heavy task which it has courageously undertaken. It is only by unceasing energy and united action, by using their rights with due sense of responsibility, and by giving to and obtaining for the Government all powers which may be necessary that they will crown their work with success.

(7) While recognising the considerable reduction in the number of officials which has already been achieved, the Council ought to draw attention to the progress of the Commissioner General's report in which he points out that a satisfactory continuation of this reduction will only be possible if a radical reorganisation and simplification of the administrative system is undertaken and if the reforms are carried out with unrelaxing determination and, so far as possible, by the concentration of administrative powers in a single authority.

(8) Finally, the Council regards it as essential that the Austrian Government with the support of every section and party of the nation and with the assistance of the Commissioner General should set itself to give prompt and adequate effect to the measures of reform contemplated in the Geneva Protocol, which were dictated solely by the desire to safeguard the interests of Austria herself and to restore her to complete prosperity.

II — Report by the Provisional Delegation of the League of Nations at Vienna

(October 14th to December 1st 1922)

Immediately after the signature of the General Protocol on October 4th, the Austrian Government decided to instruct the members of the Financial Committee who were then at Geneva to proceed to Vienna before the appointment of the Commissioner General and to assist the Austrian Government in carrying out the programme adopted. The creation of a provisional delegation of the League of Nations, if required, had, moreover, been accepted, provided for in Protocol No. III.

The Delegation consisted of the following:

M. JASSE, Chairman
M. A. F. OL,
Senator Magnifico FERRALIS,
M. MEYER,
M. POSKISIL,
M. SARASIN,
Sir Henry DUNBAR

The Delegation reached Vienna on October 14th and began work on October 18th. Under Article 2 of Protocol No. III, the Austrian Government was to draw up within one month a collection of either with the Commissioner General or with such provisional delegation of the Council of the League of Nations as may be appointed for the purpose a programme of reforms and improvements, to be carried out by stages and designed to ensure in time to establish a permanent equilibrium of her budget within two years.

The title of the Protocol accordingly fixed in principle the main responsibility which devolved upon the delegation.

First, the Austrian Government, under Protocol III, had definitely and unambiguously pledged itself (Article 2 of Protocol III).

(a) To take immediately all measures in its power to reduce the deficit,

(b) To submit immediately to the Austrian Parliament a draft law giving the Government full authority to assure the establishment of budgetary equilibrium at the end of 1924 and of 1925 years,

(c) To prepare immediately a programme of reform, to set in motion the necessary legislation and to apply the first measures of execution.

Moreover the Financial Committee report which is given as an annex to the Protocol and which contains the basis for the reconstruction programme, laid stress on the vital importance of immediately establishing a new bank of issue. Attention was also drawn in the report to the need of special measures to provide the Austrian Government with the funds which it required until such time as the yield of the loan was available, while the report outlined the opportunities by means of which it might prove possible to discount the need of that loan.

In the absence of any other authority exercising control, the Delegation was accordingly bound to collaborate with the Austrian Government in giving effect to the immediate measures which the Government had to take in pursuance of its obligations in organising the kind of financial measures required in provisional credit operations. The following paragraph distinctly has to point out that the various parts of the problem were interdependent and has simply that it is to limit the discussion strictly to the programme of measures which is to be taken for the time being upon other matters.

1. PROVISIONAL REPORTS (KERN-STRUKTUREN LAW—WIRTSCHAFTSBEREICH)

(a) The first of the Delegation's reports was the Austrian Government's submission to it of the draft law entitled the Reconstruction Law, which was designed to provide for the establishment of budgetary equilibrium within a period of two years. The draft law provided:

(1) Provisions regarding measures to be effected (administrative reforms, reorganisation of the judicial system, etc.).

(2) Provisions regarding the increase in revenue (from, monopolies, taxes on inheritance, etc.) and on the basis of the new situation and registration fees.

(3) Provisions regarding the national resources of the provinces and communes, (4) Provisions regarding the loan provided for in the Protocol for the purpose of the reconstruction of the country in 1923 and 1924.

The first programme of the provisional law was attached as an annex to the law.

The establishment of a fiscal programme of this nature, affecting the interests of every class of the population, was bound to provoke violent controversies between the political parties. The Delegation deemed it advisable to refrain from taking any part in discussion on domestic policy and to leave to the Government undivided responsibility and complete freedom to carry on negotiations. The Delegation deliberately confined itself to the work of determining whether the programme was one which would achieve the essential objectives, i.e., the re-establishment of budgetary equilibrium and it did not interfere in the question of the allocation of the total burden between the various classes of taxes nor in the choice of the methods of taxation. The scope of its examination of the Reconstruction Law being thus narrowed, the main effect of the modifications in the original draft which the Delegation deemed essential was to induce the Government to reduce the figures which the latter had suggested for the estimated expenditure in the normal balanced Austrian Budget in the form which that Budget would assume in 1925. The Delegation could not, indeed, overlook the fact that any provisions for a surplus in receipts constituted, for the time being, merely a pious hope for which there was no natural guarantee. Little reliance could be placed at present on any forecast of the result which might be achieved by the country, in the sphere of taxation during the period of reconstruction—a period which must inevitably impose a severe strain on the national economic resources. On the contrary, reduction in expenditure could be relied on as a definite result of the reforms which could be carried out by successive stages according to a programme drawn up in advance. The Austrian Government agreed to give due consideration to the observations which were submitted to it in this connection, and although no definite figures on the subject are given in the law itself, the Delegation was not satisfied until it had reached an agreement with the Government on a detailed scheme to enable expenditure to be reduced at regular intervals and providing for the reduction of the total Budget in 1925 to a sum of 350 million gold crowns and until it had arranged for a plan of administrative reform involving the dismissal of 100,000 officials, these dismissals to be spread over a period of two years.

3. LAW PLACING PENALTY POWERS

Although the Reconstruction Law scheme conferred upon the Government the powers required to ensure the execution by means of decrees or administrative action, of the programme which it had drawn up, the provisions of this Law did not fully comply with the conditions laid down in Article 3 of the Genoa Protocol No. III, the terms of which are as follows:

"The Austrian Government will forthwith lay before the Austrian Parliament a draft law giving, during two years, to any Government which may then be in power, full authority to take all measures within the limits of this programme, which in its opinion may be necessary to ensure that at the end of the period mentioned the re-establishment of budgetary equilibrium without there being any necessities to look for further approval by Parliament."

The powers conferred upon the Government by the Reconstruction Law in the form of a list of definite reforms did not possess the required elasticity. It was, moreover, by no means certain that these powers would not be limited by further constitutional laws which might prevent the new provisions from being freely applied. Finally, it did not appear that, under the Reconstruction Law, the Austrian Government would enjoy the necessary freedom of action to make on its own initiative, as expressly provided for in Protocol III, Article 2 paragraph 3, such modifications in the reconstruction scheme as might be regarded as essential.

The Delegation accordingly informed the Government that, in its judgment, the Reconstruction Law should be supplemented by a special constitutional law embodying general provisions with regard to the exercise of the plenary powers. In order to pass this measure, the Government was obliged, under the terms of the Constitution, to obtain a two-thirds majority in Parliament. The internal political situation rendered it wholly impossible to secure this majority, except as a result of an agreement with the Democratic Socialist opposition. That being the case, the drafting and passing of the law led to protracted discussions between the Government and the Opposition of which the Delegation was informed by the Government, but in which it took no active part.

The law in the form in which it was passed provides for the creation of an extraordinary Cabinet Council, consisting of the members of the Government and twenty-six members elected by the National Council in accordance with the principle of proportional repre-

and the Cabinet Council. The discussions of this Council on such matters are limited to a period not exceeding eight days, or, in certain cases, three days.

Among the acts passed by the Austrian Parliament, the following must therefore be clearly distinguished:

- (a) Ratification of the Geneva Protocol,
 - (b) A programme of reforms and financial improvements passed as an annex to the Federal Law referred to below,
 - (c) A Federal Law regarding the measures intended to ensure the financial and economic reconstruction of the Austrian Republic, as defined in the programme,
 - (d) A Federal Law relating to the extraordinary plenary power granted to the Federal Government in conformity with the Geneva Protocol No. III.
- It is desirable to call attention to the legal relationship existing between the laws and to indicate the scope of the powers which these laws confer upon the Government.

1. The programme enumerates the reforms to be carried out to establish budgetary equilibrium within two years. A list is given of measures to reform Federal enterprises, of measures intended to reduce expenditure and to improve receipts, and of reforms of the working of the fiscal system. This programme which was referred to the Reconstruction Statute and passed together with it, has the force of law.

2. The Reconstruction Law, which is divided into sections corresponding to the chapters in the programme, contains provisions empowering the Government to carry out these reforms.

The provisions dealing with administrative reforms and the reduction of expenditure summarize in legal form the principles worked out in the programme. As a result of the reform in which they are cast, the Government is left considerable freedom of action in giving effect to these principles.

As regards receipts, the law determines, for each class of tax, the principles which will guide the Government in fixing the rates or in modifying the existing regulations. It also lays down the basis of the reorganization of local finance by fixing the taxes which the local authorities are authorised to levy, the limits of this power and the regulations for dividing certain taxes between these local authorities and the Federation.

It has to be said that the provinces and the communes will be compelled to become self-supporting and to forgo the subsidies which at present constitute one of the heaviest burdens on the Federal Budget.

3. The Constitutional Law regarding the Plenary Power authorises the Government by means of decrees to take any other measures which may be necessary to carry out the programme of reforms and to introduce any amendments or additions to the programme when experience may lead to be necessary.

The effect of these provisions, taken as a whole, is as follows:

(a) That the Government retains the right to take, by administrative decision, all economic measures which fall within its normal constitutional competence (Reconstruction Law, Section I, part I, No. 4).

(b) That the Government is authorised by the execution of the programme to take measures covered by the legislative provision of the Reconstruction Law by means of decrees issued in virtue of its own power (Reconstruction Law, Section I, part I, Nos. 3 and 5).

(c) That any other measures included in the programme not covered by the provisions of the Reconstruction Law will be determined by means of decrees issued in virtue of the Constitutional Law regarding plenary power and in accordance with the methods prescribed by it.

(d) And finally that any additions or amendments to the programme may be promulgated by means of similar decrees issued in virtue of the same law.

In view of the scope and general character of the legislative power granted to the Government by the Reconstruction Law, the extraordinary reduction of expenditure and the improvement of taxes, the plenary power granted by the Constitutional Law will not be used in certain exceptional cases. The Cabinet Council will not be called in except when it is necessary to employ these extraordinary power. The decision of this Council of State must be taken within from three to eight days. If it fails to reach a decision within this period, the Government may put its programme of reform into immediate execution.

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The Law regarding Plenary Power was unanimously passed by Parliament on 10 November 1934.

The Geneva Protocol was ratified by a majority vote on December 1st.

The Reconstruction Law was passed by a majority vote on December 1st.

3. BANK OF ISSUE

The Financial Committee was of opinion as is stated in its report, that the establishment of Bank of Issue was a vital part of the measures required for the reconstruction of Austria. The Committee considered that a capital of 30 millions would be sufficient and that this capital should be raised by private subscription.

Under Protocol III, the Austrian Government had undertaken to obtain from Parliament modifications of the Statutes of the Bank of Issue recommended in the report of the Financial Committee and to ensure it complete autonomy in its relation with the Government. After lengthy discussions and negotiations the Government proposed to Parliament the necessary amendments to the Law of July 24th, 1922, and the statutes for the new Bank of Issue. All these measures were passed by Parliament on November 14th.

An examination of the Bank's statutes show that its independence will be guaranteed:

(1) By the creation of a board not including any official and elected, with the exception of its President by the shareholders.

(2) By the Law of July 24th, 1922, which provides that the Federal Government, the provinces and the municipalities cannot issue paper money nor can they have recourse directly or indirectly to the funds of the Bank for their own needs without giving in gold or securities the change value of the note received. The issue of notes will be limited within fixed limits, the metallic cover being increased by stages from 20 to 25, 30, 40, 50, 60, 70, 80, 90, 100, but this cover will not apply to that part of the fiduciary circulation which represents to us previously made to the State by the Austro-Hungarian Bank.

Subscription to the Bank's capital were invited between December 4th and 15th. Purchasers of Treasury Bonds issued by the Government were guaranteed the option of acquiring one half of the shares under conditions which are stated below. The first three holders' meeting was fixed for about December 20th immediately after the closing date of the subscription.

4. CREDIT OPERATIONS FOR THE PURPOSE OF SUPPLYING THE GOVERNMENT WITH THE NECESSARY RESOURCES BEFORE THE FLOATING OF THE LOAN

The requirements of the Austrian Government until the date on which the guarantee laws were passed were estimated in September by the Financial Committee at Geneva at between 150 and 160 million gold crowns (in addition to normal revenue from taxation). The measures taken were as follows:

1. In the period October 15th to November 18th the requirement of the Austrian Treasury continued to be covered by loan from the Bank. The amounts of these loans rose in this period to 471 millions. Owing to the gradual establishment of confidence in the execution of the programme of Austrian reconstruction the increase in the fiduciary circulation due to these loans did not result in any fall in the value of the crown. On November 18th the Government definitely undertook not to apply for any further advances from the Bank guaranteed by Treasury bonds.

2. The Government offered in the home market a sum of 50 or 60 million gold crowns in Treasury Bonds at six months' period in gold. These bonds were issued at 98%, and are secured by the gross receipts from the customs and the tobacco monopoly.

Thirty millions were immediately taken up by the banks which effected their payments from November 14th. The last instalment of this first sum of 30 millions was paid during the first week of December. The second instalment was offered to the public from December 4th. The first information received regarding the public's reception of the issue is favourable. The bonds have the advantage of being repayable in dollar or crowns, as the bearer may elect at an exchange rate of 20,000. Purchasers of Treasury Bonds have been given a right of option on the shares of the Bank of Issue. Both the first instalment of bonds, which is absorbed by the banks, and the second which is at present being offered to the public, are eventually repaid from the proceeds of the National Loan.

3. For the remainder of the sum required the Austrian Government looks to outside sources, to be obtained on the balance of the advances previously made to Austria by the French, Italian and Czechoslovak Governments in accordance with Annex A of Protocol II. The Government proposes to make a similar use of the sums in gold crowns which it will receive as a result of the liquidation of the Austro-Hungarian Bank. The sums represent a total of about 60 million gold crowns.

5. PRELIMINARY MEASURES TO CARRY OUT THE PROGRAMME

Although the application of the regime laid down in Protocol III can only be settled in detail by the Commission of Enquiry, the Delegation was nevertheless obliged to take immediate steps to enable it to follow from day to day the results of the first efforts of the Austrian Government to carry into effect the programme of reconstruction. It was the duty of the Delegation to assure itself that the work from the first operations, which was to

reduced by 10%. The Delegation requires more, it wishes the total expenditure to be fixed in accordance with the receipts provided for, leaving a margin of 25% to be subsequently allocated by the Ministry of Finance among the various Ministries.

December 6th, 1922

Summary of Position on December 15th, 1922

By December 15th, therefore, when the responsibility of the Delegation ceased, on the assumption of office by the Commissioner General, the following progress had been made in Vienna.

The Protocols had been ratified.

Legislation had been passed comprising a programme of reconstruction and a scheme of new taxation and reduced expenditure designed to secure budget equilibrium as from the end of 1923. This legislation allowed on a detailed basis to the Government in execution. It was therefore supplemented by an arrangement between the Government and the Delegation, setting a definite limit to expenditure and providing for a specified reduction of officials. The Delegation was satisfied that, if duly executed, the programme should attain the desired object of budget equilibrium in two years. In addition, a special constitutional law was passed to meet the requirement of Article 3 of *Principe III*, giving the Government, in conjunction with a special Cabinet Council, full powers for the execution or modification of the programme for two years.

A new law and the statutes of the Bank of Issue in conformity with the recommendations of the Financial Committee, also passed in a form satisfactory to the Delegation. Subscriptions were invited between December 4th and 15th and by the latter date all the capital required had been assured.

The financing of Government expenditure by inflationary methods, i.e., by discount operations at the bank, was stopped definitely on and from November 18th.

The exchange value of the crown has remained stable throughout the value being 75,000 crowns to the dollar on August 24th, and 70,750 to the dollar on December 15th. It will be noted that the period was one in which the German mark fell from 1,000 to the dollar to 7,000 to the dollar.

Whilst prices of many goods and goods for export have risen towards the world level, the general level of prices has for the first time since the Armistice tended downwards. The index figure showed a decline in October of 8%, in November of 6% and in December of 5%.

Savings showed a marked increase, the deposit rising during the month of November from 38,644,927 to 60,384,515 (million crown), or an increase of 82%, in two months. The increase was real, as the gold value of the crown had remained stable and its purchasing value slightly increased.

The position of the crown at the end of the period was very strong, as the "Devisen Zentrale", through which the exchange operations are centralised, is not only able to meet all demands for foreign currency but had largely increased its holding in foreign currencies, the amount rising from a value of £750,000 sterling on November 15th to £2,850,000 sterling on December 15th.

During the four weeks from November 18th to December 15th the deficit in the Government budget was met by internal resources. The Austrian bank subscribed 30 million gold crowns in November. On December 4th a further public issue up to a maximum of a second 30 million gold crowns was opened to the Austrian public. These subscriptions received up to December 15th amounted to about 8,000,000 gold crowns. The closing date for subscriptions is December 31st, so that the ultimate result of this issue cannot yet be stated.

The Austrian Government had begun certain of its immediate reforms. In particular the railway tariffs were substantially increased in October, and up to December 15th there was a net reduction of 11,000 in the number of officials.

In the meantime, in anticipation of the control of the Commissioner General, the machinery of control had been instituted. As from December 9th the gross receipts of the customs and tobacco monopoly were paid into a special account (Account A) with the Austro-Hungarian Bank, under the control of the Delegation (from December 9th to 10th the customs receipts were 7 1/2 milliard crowns and the tobacco monopoly receipts over 10 milliard). The Delegation will retain the sum necessary from time to time to assure the interest on the loans before releasing the remainder to the Government. In the second place, all the proceeds of the loans (previously mentioned) were paid into a second account (Account B), also under the control of the Delegation. From this account the Delegation released money at a regular and varying weekly statement from the Government as to its needs. To assist it in this task a system of statistical returns was instituted. This control, however, which will form a large part of the task of the Commissioner General, was, of course, only in its initial stages by December 15th.

It may be convenient to remark, among the events of the same period outside the task of the Delegation, that the members of the Committee of Control met at Geneva on

November 23rd and discussed the methods by which the different Guarantee Powers could obtain the required measure of uniformity in the laws authorising the guarantees. On December 15th the British law was passed by the British Parliament, and the Czech, Polish and Finnish laws were introduced into the respective Parliaments (1).

On November 23rd the appointment of Dr Zimmermann as Commissioner General was announced. He arrived at Vienna on December 15th and began his control on December 16th.

December 23rd 1922

III — First Report by the Commissioner General of the League of Nations at Vienna

(Period December 15th, 1922, to January 1st, 1923)

Paragraph 2 sub paragraph 2 of the Geneva Protocol No. III lays down that "the Commissioner General shall present monthly to the Council a report upon the progress of the reform and the results achieved."

In accordance with this provision, I have the honour to submit to the Council of the League of Nations the following report dealing with the period December 15th, 1922, to January 1st, 1923, which forms a continuation of the report by the Provisional Delegation.

I ESTABLISHMENT OF THE NEW BANK OF ISSUE

The most important event in this period, my first period of office in Vienna as Commissioner General of the League of Nations is undoubtedly the establishment of the new Bank of Issue the opening of which on January 1st, 1923, inaugurates a new period in the financial policy of Austria (see Report of the Provisional Delegation).

(a) Subscription of the Capital of the Bank

The subscription list for shares in the new bank opened on December 15th. The Federal Minister of Finance originally intended to close the subscription list on December 1st. The total capital of the bank is 30 million gold crowns. It has been subscribed by that date the State providing 14 millions of that sum. It should, however, be noted that the possibility of subscribing the capital of the Bank was in practice prolonged up to January 1st as the plan established a close connection between subscription to the Bank and subscription to the Treasury Bonds, and since the subscription list for the latter remained open until the latter date.

The final result of the subscription to the shares of the Bank was highly satisfactory. It is probable that it will only be necessary to fall back to a very slight extent on the State to cover the possible employment of which had been anticipated.

The duration of the period of subscription to the Treasury Bonds also led the Government to reduce the amount of its subscription to less than 8 millions (two fifths of which is paid up by it in gold). Out of the total subscription of 30 million crowns, 22 millions were paid up in gold and 8 millions in Treasury Bonds.

An agreement will have to be concluded between shareholders of the former Austro-Hungarian bank and the National Bank with regard to the ownership of the printing press and the premises belonging to the former institution. Until this agreement is concluded the Federal Government has guaranteed to the new Bank of Issue the use of the instalment and premises. The conclusion of such an agreement will be facilitated by the fact that the Government has expressed its willingness to set up at least 1/4 millions of the shares which it holds to enable the new bank to transfer them to the former shareholders.

(b) Appointment of the Chairman of the Bank of Issue

It is clear that for various financial and political reasons the National Bank was to be dissolved to the detriment of the meaning of shareholder to arrange for the opening of the bank. A committee was convened for December 22nd, in the hope that by that date the President of the Republic would have appointed, on the recommendation of the Government, a Chairman of the new Bank of Issue. During the appointment, certain formalities had to be observed, the Bank could not be completed until it was ready on the 1st of January. It was, therefore, set that the Council of Ministers agreed to the nomination of Dr. Friedrich Peck as its representative. The list of the Government followed on January 1st.

(1) The laws of the Czech and Polish Governments have been adopted by the French and Italian Parliaments.

The reason for this delay is as follows:

The Geneva Protocol merely places on record the undertaking assumed by the Austrian Government to set up a fully autonomous Bank of Issue, leaving the Government the responsibility for drawing up the statutes and of settling all detail, including the appointment of a chairman. Nevertheless, as the Government had expressed a desire to have my opinion on the latter question I explained my views in a letter dated December 19th.

While fully realising the legitimate desire of the Government to secure the appointment of an Austrian chairman of the National Bank, I felt it my duty to point out that, in my opinion, the issue of loans would be considerably facilitated if, for the period of the organisation of the new Bank and the issue of loans, the choice of a chairman for the new Bank should fall on a person whose name would carry weight in the great financial centre of the Western countries.

In a letter dated December 21st, the Government noted my opinion and informed me that the President of the Republic had that evening appointed an Austrian, Dr. Pensch, as Director of the Bank, while at the same time considering the possibility of giving a place in the management to a foreigner described as "an expert provided with special powers" powers which could be determined at a subsequent date.

In the same letter the Government advised me of its intention of approaching M. Janssen, Director of the National Bank of Belgium, to request him to accept the post of expert.

Negotiations have since taken place on this matter but have not yet, however, yielded any definite results. It appears to me important that a decision with regard to fixing the limits of the powers of this expert and the choice of a suitable person should be reached as soon as possible, it is all important in the interests of Austria herself who, during the difficult period through which she is passing, stands specially in need of the confidence of foreign countries.

(c) Meeting of Shareholders to form the New Bank of Issue

On December 23rd, 1922, the shareholders of the new bank held an inaugural meeting under the chairmanship of Dr. Reich.

(d) Transfer of the Business of the Austrian Branch of the Austro-Hungarian Bank to the Austrian National Bank

By a Federal Decree dated December 29th, 1922, the business of the Austrian Branch of the Austro-Hungarian Bank was transferred to the National Austrian Bank which on January 2nd, 1923, began operations.

Reference to the last balance sheet of the old bank and comparison with the first balance sheet of the National Bank will bring out the fact that as at December 31st:

The fiduciary circulation amounted to	4,080 milliards
Current accounts amounted to	328 —

To cover these liabilities, amounting to 4,400 milliards, the apparent realisable asset consisted of only about 5 milliards in addition to 782 milliards of commercial paper, and 2,558 milliards of Austrian Treasury bonds. The item "Various assets" (1,288 milliards) included, however, the deposits forming the reserves of the "Devisen-Zentrale" (clearing house for foreign valuta), a sum which has been increasing for weeks past.

In the new balance sheet, as a result of the fusion of the "Devisen-Zentrale" and the National Bank, these reserves have become the property of the Bank of Issue. As against liabilities of 4,471 milliards, namely:

Fiduciary circulation	4,054 milliards
Current account	417 —

we find realisable assets of 1,195 milliard in gold and securities. The commercial securities amount to 732 milliards while the figure for Treasury bonds remains unchanged in accordance with the statutes, gold and foreign securities are estimated on the basis of the average rate of exchange for the second half year of 1922, i.e., on a basis which is 6 to 10 % lower than the present rates of exchange. They represent, therefore, in reality, a greater value than that which is assigned to them in the balance sheet, and this margin is indicated under the heading "Other assets" along with the value of other securities which are not included in the reserve.

Although the reserve therefore only represents a certain proportion of the realisable assets, it covers 26 7/8 % of the total amount of notes in circulation, including notes issued against Treasury bonds. This position is all the more remarkable seeing that the whole

the gold content subscribed has not yet been paid up and the statute provide that if the payment has been made, only 20% of cover shall be obligatory and that in making this calculation in accordance with Article 8, the amount of the Treasury bonds, more than 100 milliards, will be withdrawn from the note and immediate liability. The handing over of the business of the Deutsche Zentralbank by the National Bank has led to the following result:

(c) *Transfer of the Business of the 'Deutsche Zentralbank' to the New Bank*

The Foreign Economic Department has been able to build up for itself a large reserve during the past few months owing to the special conditions of the market. The relief measures of the League of Nations and the progressive reforms have inspired the Austrian public with confidence. A portion of the foreign securities which had been hoarded as a reserve by private persons was once more converted into crowns, and the supply of foreign currencies has been considerably in excess of the demand. As the gold value of crowns in circulation (500 million gold crowns at the present date in total of 1 milliard gold crowns in 1919) was inadequate for the requirements of the market, the confidence could have led to a rapid rise in the crown, entailing a serious economic crisis, if the policy of the Foreign Economic Department had not been to purchase from the public currencies offered in excess against crown, with which the Bank of Issue supplied it on the basis of these foreign securities. The situation created by the scarcity of crowns in the market was thus eased by an issue of secured crowns. The value of the reserves of the Deutsche Zentralbank rose from £ 700,000 in October to £ 4 millions at the close of the year. When the National Bank took over the exchange business, the ownership of the reserves, each one of the 4,000 milliards of crowns in circulation was better secured than any of the 3,000 milliards of crowns which were in circulation in November.

This position is clearly brought out in the first account of the New Bank, and it ought to serve to inspire the Austrian public and foreigners with a considerable measure of confidence.

II ADMINISTRATIVE REFORMS

(a) *Measures of Reform*

The Provisions Law of November 2, 1922 include among other measures of administrative reform the following articles:

SECTION A

§ 1

In order to simplify the Federal Administration as far as possible and to reduce its expenditure to an absolute minimum, every branch of the Administration shall be reformed in accordance with the principles laid down in paragraphs 2 to 5.

§ 4 Paragraphs 1 and 2

(1) The number of Ministers shall be reduced to a maximum of eight.

(2) Apart from this reduction in the number of the Ministries, their organization shall be simplified as far as possible, and every effort shall be made to avoid overlapping of duties.

The Government shall take the measures rendered them so urgent by it early enough to be carried out as soon as possible.

Immediately upon my arrival at Vienna, I discussed this subject with the members of the Austrian Government, and in particular with the Chancellor and Vice-Chancellor, of whom has been personally entrusted with the task of simplifying the Administration. In a letter dated December 21, 1922, I asked him to be good enough to inform me of the proposals adopted during the first few weeks and to keep me regularly informed of the results obtained.

In his courteous reply, in his letter dated January 31st, he made it clear that the Austrian Government is fully aware of the necessity of undertaking not only reforms of a technical but also of a comprehensive nature.

I discussed this question with the Chancellor on several occasions and confirmed my conviction among measures which might be undertaken immediately. I suggested that the number of Ministers should be reduced to two not less by the fusion of the Ministry of War and the Ministry of the Interior. The Post Office might again be united with the Telegraph and Telephone Service, and the State Chancellery with the Justice building and the Ministry of Foreign Affairs. I have proposed

that these measures would have been adopted before the meeting of the Council of the League of Nations at the end of January, but unfortunately my hopes have been disappointed. The matter is still in abeyance and forms the subject of discussion between the Government and myself.

I am obliged to admit that at the end of the next period, apart from the fiscal measures, not one of the important reforms decided upon has yet been carried out, the few administrative reforms which have been accomplished are of a minor character. This fact is particularly to be regretted because it shows that if better results are not obtained within a very short time, the progress of the work of reconstruction may be delayed.

(b) *Reduction in the Number of Officials*

The Provisional Delegation of the League of Nations had concluded an agreement with the Austrian Government providing for the dismissal of 100,000 officials before July 1st, 1924, as follows:

25,000 before January 1st, 1923,
25,000 before July 1st, 1923,
25,000 before January 1st, 1924,
25,000 before July 1st, 1924.

In order to carry out this agreement, the Austrian Government has entrusted all the problems connected with the reduction of the number of officials to Dr. Hornik, Economy Commissioner, who has had great experience in matters of this kind as he was responsible for the demobilisation of the military organisations after the Armistice. The Economy Commissioner is working in close touch with a Staff Discharge Committee, consisting of representatives of the various Ministries, the duty of this Committee is to apportion between the various Ministries the total number of officials to be dismissed. The Economy Commissioner reports progress to me weekly.

From October 1st to December 30th, 1922, the Government has discharged 23,651 persons employed in State service. On January 1st, 1923, this number had increased to 25,404, divided among the various Ministries and State enterprises. The figures which show the number of officials discharged also refer to officials who are still employed but whose discharge or dismissal papers have already been signed. In point of fact, most officials finally leave the service after a certain period of notice varying from one to six weeks.

Those officials who are not placed upon the pensions list receive gratuities in proportion to their length of service. The Government is taking appropriate measures to assist discharged officials to find employment.

As the gratuities now being paid are too high and utterly out of proportion to those which are granted in private businesses it will be necessary to modify the law regarding dismissals of staff. At the same time, the highly complicated procedure of discharge prescribed in this law must be simplified. I am glad to note that the Austrian Government is of the same opinion, and that an amendment to the law regarding dismissals of staff has already been passed by the Council of Ministers. This amendment must come into force as soon as possible. The Council of Ministers has also passed a law prohibiting the accumulation of State pensions and other sources of income by discharged officials after they have obtained employment.

With a few days' delay therefore the Austrian Government has kept its engagements in regard to the dismissal of the first 25,000 officials. The very large total number of officials rendered this first stage comparatively simple, but it is clear that, as the process of dismissal continues, the execution of the programme will become proportionately more difficult. In order to overcome all the difficulties involved in a reduction of staff on so large a scale as that to be anticipated in Austria, the work connected with dismissals must be entrusted to an organisation possessing special powers.

Even if this measure were adopted, it would be impossible to dismiss another 75,000 officials in a period of 18 months merely by informing each department of the number of officials it must dismiss. Such a method would entail the risk of serious dislocation in the working of the Administration. The dismissals must therefore be accompanied by simplifications of administration, involving the abolition of certain offices and services, the fusion of others, the suppression of duplicate posts and the relaxing of an over complicated procedure.

This simplification of administration is so closely bound up with the reduction of staff that the two tasks must be entrusted to a single person. Without unity of control, it would seem impossible to secure a sufficiently rapid progress in the reforms.

The Austrian Government, however, to which I have communicated my opinion has as yet taken no step in this direction.

Customs	58 3 milliards
Tobacco	80 8 —
	<hr/>
Total	145 1 —

I drew attention to the difference between these totals and the amount obtained on January 8th in a letter dated January 10th to the Federal Finance Minister (the difference was paid in during the next few days (between December 8th and January 15th 180 milliards were obtained). This would from sources of revenue mortgaged fall below the estimates of the Austrian Government owing to the economic crisis and the number of holidays in December. But it is distinctly larger than the estimates in the Geneva report (100 milliards per month, including 50 for tobacco). The gross receipts for October had reached 165 milliards, including 106 for tobacco; those for November 170 milliards, including 116 for tobacco. The increase in the fiscal customs dues introduced on December 26th gives a prospect of larger receipts in January.

The 383 milliards taken from Account B to cover the deficit were obtained chiefly from operations connected with the placing of Treasury Bonds in the home market. They were released partly in the form of foreign securities obtained from the liquidations made by the banks for the block of 100 million gold crowns which they had taken up in November (see the Provisional Delegation's report), and partly in crowns obtained from the amounts subscribed by the public from December 4th onwards. 17,500,000 dollars were handed over to the Government which converted them into about 18 milliards of crowns through the agency of the Central Office for Foreign Exchanges (Devisen-Zentrale), the duties of which have already been explained. 1,5 milliards were obtained from the yield of the bond allotted to the public in crowns (from 205 milliard up to December 30th 200 up to January 15th). The additional 80 milliards were obtained by a provisional transaction effected with the Vienna banks to an advance of 100 milliards secured by half of the gold realised by the winding up of the Austro-Hungarian Bank. This advance will probably be repaid in January when certain assets, the employment of which is now being considered, have been realised, and the gold will thus figure among the assets of the National Bank and will be a further addition to its cash.

Thus the requirements of the Austrian Government Treasury for the month of December were covered without the necessity of remitting Treasury Bonds to the Bank of Issue; the principle of putting an end to the inflation of currency (see report of the Provisional Delegation) is now actually being applied. For January we had at our disposal the surplus of customs receipt and the yield of the tobacco monopoly under Account A, further receipts from the public loan under Account B, and surplus amounts obtained by other operations. We have moreover, obtained the deposit of the Czech balance in Treasury Bonds payable at sight which it is proposed to make use of, and the balance of the French loan is now available. The financial requirements of the Treasury are thus assured, and we hope that during the next months the balance of the Italian loan will become available under the same conditions, and that it will be possible to make use of the gold which is still in reserve. All these transactions are moreover, subject to the option of repurchase should it be possible to place abroad Treasury Bonds secured by the assets or by the Parliamentary guarantees plus those assets.

This was the financial position at the end of the second period provided for in the report of the Financial Committee (reply annexed to Geneva Protocol No. III). Instead of the estimated sum of from 170 to 180 million gold crowns, the actual deficit required only part of the yield of the internal loans 150 million gold crowns from the banks, plus approximately 12 million gold crowns, i.e., 175 milliard paper crowns from the subscriptions of the public and the placing of 7 1/2 million gold crowns a total of roughly 50 million gold crowns. The reduction is due, in the first place, to the fact that up to November 15th the State continued to have recourse to the old methods of inflation in order to cover its deficit. It was in a position to withdraw banknote against Treasury Bonds without however, causing a fall in the crown and was thus able to constitute the reserve referred to in the report; it is due also to the fact that a beginning has been made with the carrying out of the programme of reform.

Under the circumstances no outside advance has been required at the beginning of the third period when 80 % of the Parliamentary guarantees became available. The Austrian Government still had at its disposal part of the internal loan, on which it was able to subscribe till January 15th, further, it had at its disposal the whole of the balance which was to be used as security for the second period, and half the gold resulting from the winding up of the Austro-Hungarian Bank. These assets, in addition to the value of the Parliamentary guarantees, will assure the position during the next few months. Their utilisation in some form or other is imperative, and since some of the assets may not be immediately realisable, it is essential that loans secured wholly or in part by the new Parliamentary guarantees should be obtained without delay.

(b) *La gel*

On the 15th of December, 1935, for January, can be verified in the preliminary budget for the month. The deficit of the month of December brought home to the various branches of the administration the urgent necessity of strict economy and of reducing expenditures to the minimum. The situation being taken into account in the estimate for January and also for 1936 and for this reason have been in consultation with the Finance Minister.

From December 1st to 15th days after taking up my duties, I requested the Minister to exercise to the fullest possible degree central control over the other branches of the administration.

At the beginning of January, I pointed out that in view of the monthly deficit of 163 milliards on the basis of the situation in October (estimated but seen the Provisional Budget and the Autumn Government), of 150 milliards on the basis of the average for January-June 1935 the first estimates of the Government provided for 150 milliards for the month of January. I insisted that it is impossible to work on such a basis. It cannot be expected that all the reforms in the direction of economy and all the measures in course, I should be spread over a period of 12 months from January to June and increase during the first month of the period. But the excess of expenditure would be sufficient to be wiped out between the coming month and July 1st.

This therefore agreed to the adoption of a preliminary budget for January providing

Expenditure 710 milliards minus 21 over the 1936 limited as the average for the period.

Revenue 150 milliards a deficit of 44 on the 150 estimated as the average for the period.

Deficit 404 milliards i.e. 65 more than the 150 estimated as the average for the period.

If the budget be adhered to, it will represent a monthly reduction in the deficit in relation to 163 milliards since October. I have tried to indicate that I shall not give permission for the estimates to be exceeded and the sums actually expended during the first fortnight of January both in bills of exchange and in crowns, corresponded only to a deficit of 200 milliards together with the retrocession of that part of the customs and tobacco revenues which is used to meet the necessary costs for the present loans.

The Finance Minister subsequently informed me that he had taken all the necessary steps to ensure that the deficit in January should not exceed 404 milliards. Revenue is limited to 150 milliards on account of the economic crisis. Expenditure would be reduced to 714 milliards in accordance with a programme applicable to all Departments which has been submitted to me and carried out the reform previously announced.

The Finance Minister must be reorganised without delay if we are to ensure the application of the foregoing reforms and to obtain the expected results in the budget for 1936. It is impossible, during the four years of the war and the three years of continued emergency, to refer to the estimates. The credit budget for an entire year has often been expended within the first few months and accountancy calculations have been so complicated by the immensity of the sums that it is hardly possible to become the custom of the various departments to inform the Finance Minister of the rough indications as to the size of their deficits. The expenditures are only reported to the Minister after a considerable delay of 15 or 20 months. The Government is unable to control the deficit by the issue of Government bonds, but it is quite impossible to control the expenditures in any way at all.

As the deficit can no longer be covered by inflation as a source of revenue, the Government must exercise rigorous control. This is the only way to bring about the rehabilitation of the currency but the very strict control is a precondition for success.

The Finance Minister has drawn the attention of the Finance Minister to the fact that the Government must be able to control the expenditures of the various departments. It is not possible to have a budget which is not controlled by the Government. The Government must be able to control the expenditures of the various departments.

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creative authorities do not appear to be adequate. This Department does not seem to understand the necessity for far-reaching reforms. Having compared the Austrian railway management with the management by private companies in certain foreign countries I asked the Finance Minister to be good enough to consider the possibility of inviting a foreign expert to come and investigate on the spot the running and the reorganisation of the Austrian railway. The Chancellor and Finance Minister have told me that they are, in principle, in agreement with this suggestion.

We have also considered the possibility of employing the same system in certain other branches, specially that of the tobacco monopoly, the yield of which is set aside as one of the pledges for the loan.

The budget for the entire year 1923 has been drawn up on the basis of the agreement between the Austrian Government and the Provisional Delegation.

Under this agreement expenditure was to be limited for the first six months at the rate of 600 million gold crowns per annum and during the second quarter at the rate of 475 millions; it is only possible, therefore, in the 1923 budget to estimate for an average expenditure of 589 million gold crowns, thus sum representing 8,540 milliards at the rate of 14.500 which is that adopted for calculating the budget. The Austrian Government's estimate for expenditure amounts to 8,448 milliards, i.e. 587 million gold crowns. Estimates for receipts are 9,098 milliards, i.e. 470 million gold crowns instead of 369 millions, which was the sum fixed under the agreement for six months at the rate of 437 millions and six months at the rate of 470. The deficit in the budget for the entire year 1923 would therefore amount to 1,350 milliards, i.e. 107 million gold crowns instead of

$$200 \left(\frac{285 + 153}{2} \right)$$

The above budget must be submitted to and discussed in Parliament during the coming month, when the estimates for expenditure and receipts respectively may be modified but the total must not exceed the limit of the engagement entered into by the Government towards the Provisional Delegation. Meanwhile the Government has secured authorisation to incur expenditure during the first four months of the year not exceeding a maximum of 200 million gold crowns, that is to say, at the rate of 600 million gold crowns per annum, as fixed for the period January to June 1923 in the agreement with the Provisional Delegation of the League of Nations. I have taken note of this fact in my letter dated December 21st to the Austrian Finance Minister.

II. GENERAL SITUATION

The Geneva Protocols are based upon the fundamental assumption that the Austrian problem must be considered in three different but closely connected aspects: political, financial and economic. This view of the question is in entire agreement with my conception of the task undertaken by the League of Nations, and, although the duties of the Commission's General do not officially include the consideration of all the questions which fall within these three categories, I think it desirable, as these problems form a complete whole, to deal with them in a general manner in my first report.

A. Political Aspect

It is obvious that no State can be rendered financially sound until it has a political organisation strong enough to prevent any waste in public finance. In other words, a Government must take drastic action to all established uses of waste of this nature, and must not hesitate to take strong measures, if necessary, in order to effect economies. These general observations have a special force in the case of Austria, where the financial difficulties are largely due to abuses from which the country has been suffering since the Armistice. The reforms demanded in the Geneva Protocols are so stringent that they can only be carried out by a strong and efficient Government. Moreover, the Protocol were based upon considerations of this nature, for they stipulate that the Government must be invested with special powers throughout the period of reorganisation.

It is clear that the Government must not only be furnished with extraordinary powers but must also have the will, the courage and the strength to use them in order that the budget may be balanced within the comparatively short time which has been allowed for this work of reorganisation. In short, it is the Government's duty not to hesitate to go forward with the necessary measures taking no account of any political considerations, even should it be obliged to do so (I think it inevitable) in order to run counter to the interests and to thwart the desires of more or less important sections of the population. It is the duty of the people, on the other hand, to co-operate towards the common goal by rendering the Government's task as easy as possible.

... that the Government takes the view but I think ...
... the ...
... the ...
... the ...
... the ...

1. Financial Aspects

... the ... of the ... which I is most clearly ...
... the ... and ... of the League of Nations ...
... the ...

... part of this report I have already dealt with ...
... also to consider the influence of these questions on the ...
... of the Austrian people.

It is now ... that the whole financial problem is now dominated by the ...
... first provisional and then definite, will be placed at ...
... It will not be long before this becomes ...
... to the ... of the position of the Treasury ...
... that the ... public should be ...
... of any definite agreement between the Austrian ...
... financial circles.

It is true that the resources of the Treasury—that is to say the ordinary receipts ...
... the ... obtained by the ... and the credit operation which ...
... sufficient to cover the State expenditure for some weeks ...
... and there is therefore no reason to anticipate immediate difficulties. But if a ...
... becoming perceptible in public opinion, the reason is that the Aus-
... and may not ... an agreement will be concluded with regard ...
... but it is ... actually available for use when ...
... required.

Since the work of the League of Nations began, it should be observed that there has ...
... confidence in the future of the ... This renewed faith in the future of the ...
... in various ways. One proof of it is the stabilisation of ...
... the ... and ...
... that the public has again begun to invest its savings in Austrian ...
... in the last of living during October, November and D ...
... the ... have gained confidence in the value of the ...
... and has ... to reduce their margin of profit. Lastly, ...
... in foreign currencies (1). Moreover, the sub-
... to the ... of the ... have given far ...
... at the beginning of December. During the last ...
... which has been felt which finds its main expression in a ...
... in speculation on the exchange, and ...
... in the Price.

At the same time, for different reasons, the index figure for January has risen ...
... for three months (2).

As for the ... the ... to the doubts which public ...
... of foreign credits. Per-
... I endeavoured to explain in a Press inter-
... But this state of mind must be reckoned with for the ...
... of the ... of the reconstruction scheme is one ...
... of that ...

2. Economic Aspects

... the ... of the ... influence on the state of public ...
... through which the country is now passing (3). This crisis ...
... to the normal and invariable consequences ...

of a period of inflation such as Austria has recently suffered, secondly the general European situation has, of course, been felt in Austria and the collapse of the German mark has rendered Austrian export trade particularly difficult, so that industry has very largely shut down. A third cause, which had already been taken into account at Geneva, is the question of the commercial difficulties which obstruct international traffic in Central Europe, the excessive regulation of economic relations with her neighbour, which Austria has kept up since the end of the war renders the importation of raw materials and the exportation of manufactured products still more difficult quite apart from any financial problems.

It is, I think, superfluous to explain in detail the great difficulties produced by the economic crisis in the financial reconstruction of the country, which depends on an increase in State revenues accompanied by a decrease in expenditure. If Austrian industry can find no outlet, the yield from taxation will inevitably diminish. That of the customs will also decrease, side by side with the amount of raw material imported. No increase in tariffs can make up for a decrease in the quantity of dutiable articles—in fact the contrary is true. When we reflect that, in addition, the State expenditure on unemployment benefits increases daily with the growth of unemployment, it becomes clear that by no fault of the Austrian Government and people the success of the reconstruction scheme will be jeopardised unless the present economic dislocation is somehow remedied. Austria has hitherto suffered the financial disasters brought about by political disorganisation, inflation and the fall of the exchange. We must try to temper, for her benefit, the economic sufferings endured even by countries which have a sound financial policy and a stabilised currency.

IV — Extracts of Speeches made at the Seventh Meeting of the Twenty-Third Session of the Council, Paris, February 1st, 1923

(a) Speech by Lord Balfour

‘ I do not think that anyone who is present at our debates in Geneva will deny that, while there was the utmost goodwill shown on the part of everyone concerned, there nevertheless brooded over our councils the feeling that the task we had undertaken was of such magnitude and involved problems of such difficulty that even the most sanguine of us could not look forward with any assurance to the success of the great enterprise on which we were engaged. We not only felt that that enterprise was one of extreme difficulty, but that various difficulties would make themselves most apparent in the first three or four months following upon the signing of the Protocols.

‘ We are now in the far happier position of being able to look back on those four months and to say, though much undoubtedly remains to be done, that that which has been done has been done on so great a scale and with so admirable goodwill on the part of all concerned that we may now look forward to the future in a spirit of confidence very different from the anxious expectation which so dominated our feelings when last we dealt with this subject.

‘ I do not know how that catalogue of things that had to be done, and still have to be done, appears to my colleagues or to any other persons present. To me it seems a task which we may expect to be accomplished, it has, indeed, been accomplished in a very large measure, and I think the way in which this tremendous undertaking has so far been carried through ought to give us the best hopes of what is still to come.

‘ It has always been admitted that Austria cannot, by herself, and without external assistance, extricate herself from the difficulty into which she has gradually fallen, however great the efforts she may make. The basis of all external help was the obtaining of guarantees for the loans which our financial advisers told us were necessary in order to put Austria upon her feet. You will be glad to hear that at least 93% of the loan has already been guaranteed by nations represented at this table, and as regards the important but relatively small sum that still remains to be guaranteed, we have hopes that nations whom we know are considering this question will find themselves in a position to take their share.

to further permit ought to maintain in connection with the cycle and as is due to Austria. Austria is liable for the whole of the debt. One duty for repairs to the other is the responsibility of Austria which had been given in turn to the other side to ensure the peace. The obligations of Austria stand in the way, or would stand in the way of any further loan if they remained in their original position, no money being to be lent to Austria as security where there are obligations which are not before the debt owing to them can be paid. We have made efforts to make the Reparation Commission which has given such a degree of relief as the State has been able to give in the past, but we are not the only sum of money that is given out by the nation coming to Austria is in fact, and we have made application which, I hope and believe, will have the result, without any undue delay of enabling all the property in Austria to be put to use and at the new loan which I trust will be successfully issued will have no obstacle or encounter by the fact that Austria has obligations which come before it.

There is another body of persons, perhaps not represented in this room, on whom we must rely for the future success of the operation. They are not merely the Austrian Administration, the Austrian Parliament and People, and the Commission under Lord and Mr. Parkman, and those over whom he so admirably presides, but also the whole people of Austria whom we must rely in addition to the Government. Government which have come forward with a spirit of co-operation with the League of Nations of which they are a part, but we should have to depend upon the private public. The minister has his own view of the value of the security which he lends his money and he is not likely to be influenced by anything. I am sure. Nevertheless, I do feel moved to give public expression to my conviction that the security which is offered and which will be offered under the plan to the investor, some which he would be well advised in his own interest to consider, but by coming forward he will do something to aid the great constructive effort which has ever been made, so far as I know to the world, to get rid of the economic embarrasement in which she most unhappily finds herself and which affects the prosperity and welfare of every other nation not only in Europe but in the world. If the loan is the success I think it will be, if it is administered in the spirit in which it has been shown by the Committee under General and by the Chancellor and his colleagues, then I do think that the Council of the League may congratulate itself upon having proved itself not unequal to every great task which is not only one of the most important that is ever before undertaken but all things considered, is also one of the most difficult and embarrassing.

(By Sir Cecil de Monaghan, Secretary, Chamberlain of Austria)

That is the position gentlemen. That is what Austria has hitherto done. Her only help for the world must be the greater because the chief merit is not to help but to do so far as we can do no more than express hope of such help and that hope has been very greatly strengthened by the punctual fulfilment on the part of the other States which signed the Geneva Protocol, of the obligations which they had undertaken.

The ratification of the Geneva Protocol by the Powers which are provided for in the Geneva Protocol has already been ratified by Italy, France, Great Britain and Czechoslovakia. It is expected to be ratified in a few days to permit the League of Nations to have a full and complete knowledge of the situation in Austria. Belgium and Spain have also ratified. I am sure that it will be ratified by all the Powers for the purpose of having it ratified by all the Powers. We have lost no time in expressing our thanks to the Government of Austria which has afforded us effective help in the carrying out of the League of Nations by fulfilling its obligations which the League has set before

so rapidly and in a manner so favourable to us. I should like to repeat my thanks to day publicly before the Council of the League.

But Gentlemen, you will readily understand that we are not so rich or fortunate that we can rest content with mere thanks. We have still wishes and requests to bring forward. These may be reduced to two. In the first place, everything must be done to place Austria as soon as possible in actual possession of the foreign loan. The state of our finances will not bear a further delay. All the experts who examined our circumstances at Geneva and even before then, agreed that we cannot meet the requirements of our State economy for a transition period of two years except with the help of a foreign loan. Indeed at Geneva we were afraid that we could not tide over the last months of 1922 without advances of the loan. Do not conclude, because we did tide over this period, that there is no danger in our waiting still longer, but rather that we have expended the whole of our strength and reached the utmost limit. The Austrian people is ready for fresh sacrifices if only it is granted time to recover and if other countries strengthen its confidence as regards the future by themselves showing confidence in that future. The Committee of Control of the Guarantor Powers has provided the Austrian Government with a basis on which it can in the near future begin to negotiate with the bankers. It is my fervent hope that the present meeting of the Council of the League will create such a strong current of confidence in the future of our country—in which indeed, all the members of the community of nations are concerned—that it will carry away with it all those who can help us, so that they will help us.

"Our second request is this: help in the struggle to attain economic freedom and freedom of communications, as I described in the note which I sent a few weeks ago to the Council of the League of Nations. That, too, is part of the work which we began at Geneva. The sooner we succeed in beginning to work upon an economic basis, in competition with the other nations, on a basis of a well-considered scheme of commercial treaties, the more certain will it be that we shall be able to pay back the loan we are now contracting from the results of our work, the more assuredly will we be in a position to tide over the economic crisis which at present threatens us and the more certainly shall we remain what we are required to be—a centre of peace and order in the heart of Europe."

(i) *Speech by M. Zimmerman, Commissioner General of the League at Vienna*

When I arrived in Vienna I was not altogether free from doubts and apprehension. I have no hesitation in stating, however, that my confidence increased from day to day during the first month and that it continues to increase. The facts and figures quoted in my Report justify, in my opinion, the hope that thanks to the energetic action of the Government, the goodwill and spirit of sacrifice displayed by the Austrian people and the moral and material support accorded by foreign countries, the work of restoration may be successfully accomplished.

When I return to Vienna, I shall feel encouraged by the valuable support which your Austrian Sub-Committee was good enough to give me, by the warm welcome which you yourselves extended to me and by the close and constant interest which you are taking in the Austrian question. I shall rely on the continuance of this support and I can assure you that I shall devote myself wholeheartedly to my task.

"I believe that the time has now come to abolish everywhere the evils of the war and to put a stop to the faulty administrative post-war methods. This work has been begun in Austria under the auspices of the Association of States which form the League of Nations. In devoting my efforts to this great work I feel that I am acting in harmony with the spirit of the age and the inevitable development of world history."

establishment of normal commercial relations with Austria have already been in progress for some time. The Italian Government is ready to resume them immediately in order as soon as possible to conclude a commercial treaty drawn up in the most generous manner at one and the same time, in accordance with the interests of the two countries and the Geneva Protocol.

I have no doubt that other States represented here and possessing the same interest as we possess in the rehabilitation of Austria will also desire to follow our example. I am also confident that the Austrian Government on its side will assist the Powers in their task by abolishing certain laws and extraordinary regulations at present in Austria and which without modifications would effectively prevent the establishment of international relations on a large scale.

"I desire that this statement, which is my personal opinion, should be recorded in the Minutes."

Statement by M. Viviani — "Before voting on the proposal of the delegate of Czechoslovakia and before inserting the personal statement of M. Sclandra in the Minutes, I wish to declare in the name of France, that I associate myself with that statement since France has already resumed relations with Austria, a fact of which the Chancellor is aware."

Statement by Lord Balfour — "I wish to make the same statement in the name of His Britannic Majesty's Government."

VI — Reports by the Committee of Control for Austria

(a) THE LOAN POSITION

The Committee of Control for Austria held meetings on January 27th, 29th and 30th.

The Committee of Control received from the League of Nations High Commissioner at Vienna the text of the Austrian proposals with regard to the possibilities of a loan. After hearing the views of the Commissioner General and of the Austrian financial experts, it studied these proposals.

As a result of this study, the Committee of Control has authorised a loan up to a maximum total of 3 1/2 million pounds sterling, and the Commissioner General has arranged that the Austrian Government shall enter into negotiations at once and has acquainted it with the conditions laid down by the Committee of Control (see the letters in Annexes A and B).

In principle this loan is a short term loan effected by the issue of Treasury bonds at twelve months, if, however, the negotiation of a long term loan seemed preferable, the Austrian Government could negotiate it on the same terms, though subject to the subsequent approval of the Committee of Control in regard to the questions of rate of interest and of redemption.

The loan should be negotiated on the following terms:

(1) The loan will be guaranteed by the gross revenue from the customs and tobacco monopoly, and also up to 100% by the guarantee of the Powers which have up to the present passed the guarantee laws, or which may subsequently share this guarantee.

The Committee of Control has passed a resolution requesting the Austrian Committee of the Council to ask the Council of the League of Nations to communicate with the Governments of the Netherlands, Sweden, Norway and Denmark suggesting that the Powers should join in the guarantees laid down by the Geneva Protocol — and with the Governments of Spain and of Belgium, requesting that their guarantees be made effective in time for a loan to be issued in February.

The text of this resolution is given in Annex C.

(2) As a guarantee up to 100%, is indispensable, and as there is little time left before the issue of the loan, the representatives of Italy, Czechoslovakia, France and Great Britain have agreed to make up temporarily—in proportions of 25% each—an upset of the loan at present proposed—such part of the loan as may not be guaranteed at the moment of its issue. The adjustment necessary after the issue of new guarantees would be made at the time of the issue of subsequent loans (see Annex D).

(3) The representatives of the Governments of Great Britain, France, Italy and Czechoslovakia and those of Spain and Belgium agree—subject to the ratification of the respective Governments, to deposit, with a bank selected as its agent by the Committee of Control, the collateral bonds which represent the guarantee of their Governments upon request of the lenders, so soon as the Austrian negotiation is concluded.

The Committee of Control also dealt with the question of the balance of credits previously promised to Austria by various Governments. The balances should suffice for the needs of the Austrian Treasury during the month of February. The Italian representative has sent to his Government the text of an agreement arrived at for the utilisation of the French balance, with a view to considering a similar arrangement for the Italian balance.

January 31st, 1923

ANNEX A

Letter from M Zimmermann to the Chancellor of Austria

Paris, January 27th, 1923

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your letter dated January 26th, and beg to inform you officially that I transmitted forthwith to the Committee of Control the proposals regarding the short term loan contained therein.

After hearing my explanations, and those of the financial experts of the Austrian Delegation, the Committee of Control informed me of its decisions in a letter, copy of which I have the honour to forward to you.

I have the honour, etc.

(Signed) ZIMMERMAN,

Commissioner General of the League of Nations

ANNEX B

Letter from M Pantaleoni to M Zimmermann

Paris, January 27th, 1923

YOUR EXCELLENCY,

After noting the particulars given in your monthly report to the Council of the League of Nations, and after considering the Austrian proposal which you were kind enough to transmit to us, the Committee of Control has instructed me to express your opinion on the question of short term loans with which it is at present dealing.

In our view of paragraph 4 of Protocol II, the Committee of Control is in favour of the method of application of the guarantee and of the issue of the loan, which is to be completed under the authority of the Commission of the League of Nations (paragraph 4) to

approves of the negotiations to be undertaken by the Austrian Government on the following bases

(1) The Austrian Government is authorised to enter into negotiations for the issue of Treasury bonds at twelve months to a total amount not exceeding the equivalent of 3 1/2 million pounds, irrespective of the currencies in which they may be issued

(2) These Treasury bonds must be wholly exempt in Austria from all duties, taxes and charges on capital and interest

(3) The Treasury bonds will be secured

(a) By the gross customs receipts and receipts from the tobacco monopoly which shall from now onwards be paid into a special account subject to the approval of the Commissioner General

(b) By the guarantee of the Powers which have now voted guarantee Laws or which may subsequently become parties to this guarantee. In each and every case the Treasury bonds will be covered to the extent of 100 %.

(4) The Treasury bonds will be made out in the currencies of the countries in which they are issued, i.e., in pounds or in francs, lire, dollars, Dutch florins, crowns, etc. The repayment of capital or interest will be effected in the currencies and into the account of the Central Bank of each country

(5) The Austrian Treasury bonds will be completely covered by collateral Treasury bonds issued by the guarantor Powers. These collateral Treasury bonds will, in all respects, resemble the Austrian Treasury bonds for which they act as cover as regards the currencies in which they are issued, date of maturity and the rate of interest. They will be handed over to an Agent appointed by the Committee of Control and placed under the authority of the League of Nations. Each of the guarantor Powers will issue Treasury bonds up to the amount representing the due proportion of its guarantee

(6) Short term Austrian Treasury bonds may be accepted as payment on the occasion of the issue of a long term loan under conditions to be determined later

These decisions give the conditions under which the Austrian Government is authorised to negotiate, conversations may be entered into forthwith

Should the negotiation of a long term loan appear preferable, the Austrian Government is authorised to discuss on the same bases—subject, however, to the subsequent approval of the Committee of Control—questions of the rate of interest and maturity

The representatives of the Governments of Great Britain, France, Italy, Czechoslovakia—and of Spain and Belgium, subject to ratification by their respective Parliaments—agree to place the collateral Treasury bonds representing the respective guarantee of their various Governments on the request of the lenders as soon as the Austrian negotiations have been concluded

I have the honour etc

(Signed) PANTALEONI,

Chairman of the Committee of Control

ANNEX C

Resolution

January 29th, 1923

The Committee of Control recommends

(a) That the Austrian Government should apply to the Governments of the Netherlands, Sweden, Norway and Denmark to secure the co-operation of these Powers in the guarantees provided for in the Geneva Protocols, and to the Spanish

Government in order that its guarantee may come into effect in time for the issue of the 15th February.

(d) That the Council of the League of Nations should be requested to take the necessary action for this purpose.

ANNEX D

Resolution

January 29th, 1923

It is agreed that Italy, Czechoslovakia, France and Great Britain (acting under the authority conferred by the laws already passed by their respective Parliaments) will make up, in the proportion of 75% each, as regards the initial Advance Loan equivalent to not exceeding £20 millions, any percentage by which the guarantee is short when the loan is placed at full bore of 100%.

The excess over the normal percentage thus made available will be adjusted on the issue of later loans.

(b) NOTE REGARDING THE GUARANTEES OF PERCENTAGES

(Percentages are of 600 million gold crowns)

I

Promises and Ratifications

Great Britain (France, Italy and Czechoslovakia)	84%	Ratified Italy by Royal Decree, other three by Parliaments
Spain	4%	Not yet ratified
Belgium	1%	Expressed as 5% of 500
Switzerland	1%	Expressed as 2 1/2% of 500
United States	1%	Expressed as 2 1/2% of 500
Japan	1%	Expressed as 2 1/2% of 500
Italy	1%	Expressed as 2 1/2% of 500
Czechoslovakia	1%	Expressed as 2 1/2% of 500
France	1%	Expressed as 2 1/2% of 500
Great Britain	1%	Expressed as 2 1/2% of 500
Total	92%	or excluding Switzerland 90%

II

Possibilities

Negotiations are being conducted with the following four countries (no promises have been received, the percentages given are those indicated in under consideration):

Sweden	2%	Expressed as 1 1/4% of 520
Denmark	1%	Expressed as 1 1/4% of 520
Norway	1%	Expressed as 1 1/4% of 520
Holland	1%	Expressed as 1 1/4% of 520
Total	5%	Expressed as 4 1/4% of 520

If the above promises are obtained, there would still be a deficit of 1% (or 1 1/4% of 520 or 400,000,000, if Switzerland, who is guaranteed in no case for 1% is not included).

(c) See note of 1st Feb. from Reparation Committee

The Reparation Committee has already informed the League that the debts have been reduced from reparations and relief charges to the extent necessary.

sary for raising the capital of the Bank of Issue and the *interim short term loans*. It has also taken a general decision declaring it well disposed in principle to liberate customs and tobacco revenues for an external loan. The further decision required, however, as a condition of raising a long term loan as contemplated in the Protocols, has not yet been taken.

2 The Committee of Control has now authorised the Austrian representatives to conclude a short term loan on specified conditions. One of the conditions of this loan may be an arrangement by which the short term bonds can be accepted as subscription to the long term loan. In the negotiations, therefore, it is important that the Austrian representatives should be in a position to discuss the conditions of the long term loan.

In addition, Austria has been authorised to begin negotiations for the long term loan. Among the essential conditions of the flotation of this loan is a priority for the loan charges on the assets assigned under the protocols. It is essential, therefore, that the Commission should be asked now to extend their decision so as to be applicable to the long term loan.

3 The priority for loan charges is of course required not only in the interests of the flotation of the loan, but equally in the interests of the Guaranteeing Powers, in order to prevent the guarantors being called upon.

4 It is suggested, therefore, that the Austrian Committee should ask the Council to write to the Reparation Commission stating the position, and including paragraphs to the following effect:

"Among the essential conditions for the negotiation of a long term loan is the prior release from other charges of the assets on which, under the Protocols, it is to be secured.

"The Council hopes that the Reparation Commission may be in a position to take at once the necessary steps in order to secure that the assets concerned may be made available for this purpose, in accordance with the above mentioned Protocols, and especially paragraph 5 of Protocol III.

"The Council considers it essential alike in the interests of the flotation of the loan and of the Guaranteeing Powers that the decision of the Commission should include the exception from the assets referred to from all charges in respect of reparations for 20 years, as contemplated in principle in the decision of the Commission of July 21st 1922, and also allow a prior charge if necessary during a further period upon such assets until all claims in respect of the loan have been met.

"The Council also considers necessary that a similar priority should be obtained over any charges in respect of other credits, and hopes that the Commission may, at the same time, be able to take steps to obtain any necessary consent of the countries concerned."

VII — Summary of Economic and Financial Statistics

1 *Exchange* — August 25th—1 Swiss franc equalled 16,000 crowns

January 25th—1 Swiss franc equalled 14,500 crowns

The Austrian crown has thus slightly increased in value, there have been no violent fluctuations during this period.

2 *Cost of Living* — Middle October decrease 8% on previous month

Middle November decrease 6% on previous month

Middle December decrease 5% on previous month

Middle January increase 1% on previous month

3 *Money* — Since November 18th there has been no inflationary issue of notes, against Treasury bills, increase has been legitimate only and due to

(a) Selling by Government to Bank of foreign exchange received as subscription to internal loans,

The figure agreed with the Provisional Delegation was 339 milliards monthly average for the first six months of 1923. The Austrian estimate for January exceeds this by 65 milliards, 21 being due to larger expenditure, and 44 to lower receipts. The monthly deficit should increase because:

(a) January is always a month of low receipts (income tax is paid in March) and high expenses,

(b) Reforms can only gradually affect budget, as the Finance Minister retains his control over spending departments.

10 *Reduction of Officials* — The programme agreed with the Provisional Delegation provided for the dismissal of 25,000 officials before January 1st, 1923, and 25,000 during each half year till July 1st, 1924 (total 100,000). The progress is as follows:

By December 30th, 1922	25,631	} had been dismissed
By January 15th, 1923	5,494	

11 *Unemployment 1922*

July	30,971
August	31,243
September	37,000
October	37,849
November	64,283
December	120,525

Doit amount to more than 1 milliard early, of which 20% is at present paid by the State.

12 *Loan Guarantee* — In addition to the 84% guarantee of the four original Powers (i.e., Great Britain, France, Italy, and Czechoslovakia), Spain has promised 5% of 500 million gold crowns or 4% of 650, Belgium 2 1/2% of 520 or 2% of 650, Switzerland, 20 million gold crowns which is equivalent to 4% of 520 or about 3% of 650. In addition the Netherlands, Sweden, Denmark and Norway are now considering the question. It is hoped that this will enable the total to be raised to 100%.

13 *Customs and Tobacco* — Gross returns since December 6th

	Customs	Tobacco	Total
October 1922	57	106	163
November 1922	63	116	179
December 1922	59.5	86.8	146.3
January 1923 (first half)	30	40	79

It is probable that there may be a further increase in January due to an increase in the customs rates which came into force on December 16th.

VIII — Chronology of Austrian Reconstruction

1922

August	Meeting of Prime Ministers in London, Austrian appeal
August 4th	Reparation Commission releases lines on certain Austrian assets to serve as security for the new Bank of Austria
August 15th	Reply of Mr. Lloyd George to the Austrian appeal, referring the Austrian situation to the Council of the League for consideration
August 18th	First meeting of the Council. Financial problem referred to the Financial Committee
September 6th	The Austrian Chancellor joins the Council and makes an appeal. Czechoslovakia also for the first time represented. Appointment of Austrian Sub-Committee
September 6th—	Elaboration of a reconstruction scheme by Austrian Sub-Committee, assisted by technical, financial, economic, and legal
October 4th	organisation of the League
September 30th	Favourable report on progress by Council at last session of Assembly

October 21st	Signature of three Protocols at Geneva
October 17th	First day of deliberation of the Council begins work in Vienna
October 27th	League of Nations Commission takes effect in Austria and sets to work on security and recovery of short term loans under League of Nations scheme
November 3rd	Spanish Government signs Protocol 1 and 11
November 1st	Austrian banks subscribe 30 million gold crowns to international loan
November 4th	Stipage of unissued note issues to the Government
November 18th	First meeting of the Committee of Control
November 25th	League of Nations Commission to Government at to carry out reforms voted unanimously by Austrian Parliament
December 2nd	Geneva Protocol ratified by Austrian Parliament by majority vote
December 3rd	Reconstruction Law passed by Austrian Parliament by majority vote
December 4th— Jan 16th, 1923	Journal for loan floated for public subscription (Result 40 million gold crowns from banks and 21 million gold crowns from the public)
December 4th	Subscription opened for initial capital of new Bank of Issue (40 million gold crowns in all 22 millions subscribed by public, 8 millions by the Government)
December 8th	Payment of yield of customs and tobacco monopoly into a controlled account begun
December 15th	British Parliament ratifies guarantee of loan
December 15th	Letter from Reparation Commission notifying the release by all Reich Bond holding countries of their lien on Austrian assets, in accordance with the Reparation Commission's decisions of August 4th and October 27th regarding the reparations lien
December 16th	Dr. Zimmermann first Commissioner General, arrives in Vienna
December 21st	Dr. Reich approves Proceeding of the new Bank of Issue
December 21st	Czechoslovakian Parliament ratifies the loan guarantee
December 23rd	Constituent Assembly of shareholders of the new Bank of Issue
December 31st	First meeting of Austrian Extraordinary Cabinet Council
December 31st	French Parliament ratifies loan guarantee

1923

January 1st	New Bank of Issue takes over affairs of the former Austro-Hungarian Bank
January 1st	New Bank of Issue publishes its first balance sheet
January 5th	Reich Decree speeds up of all in ratification of loan guarantee
January 27th	Meeting of the Council of the Austrian Committee and of the Committee of Control at Paris

MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

MARCH 1925

Vol III No 3

April 15th

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Communications concerning the *League of Nations* should be addressed to the Information Section, League of Nations, Geneva

I — Summary of the Month

The first international short term loan under the League plan for the reconstruction of Austria was successfully floated and the first payments made to Vienna during the month, the total of 1 1/2 million pounds being over subscribed to a total of 5 millions. The Report of the League's Commissioner General in Vienna shows continuing progress within Austria itself. The receipts from the customs and tobacco monopoly, which are pledged as security for the loans, have continued to exceed the estimates, the exchange rate of the crown has remained stable, further officials have been discharged, but the economic situation has not changed greatly. Dr Zimmerman, who had accepted a provisional appointment as Commissioner General, has now agreed to accept a definite appointment.

The Permanent Court of International Justice will hold its next session at The Hague on June 15th when two cases will come before it, that of S. S. Winieta brought by Great Britain, Italy, France and Japan against Germany in connection with the refusal of the German authorities to allow that vessel free access to the Kiel Canal, and the request of the Council of the League for an advisory opinion on several points in connection with measures taken by the Polish Government as regards certain individuals of German race in Poland. During the month, the death of Senator Rui Barbosa of Brazil, one of the original judges of the Court, was officially notified by the Brazilian Minister of Foreign Affairs, and the April Council meeting will have to decide whether the question of the election of a successor should be placed on the agenda of the next Assembly.

The Economic Committee met at Geneva to discuss, among other things, the further arrangements for the Customs Formalities Conference to be held next October. It decided to recommend to the Council to add the Irish Free State to the list of States not Members of the League already invited to the Conference. The Expert Committee on Double Taxation finished its work during the month with a report outlining several alternative ways by which the nations could handle the very complicated question of double taxation, which is creating so many difficulties in the business world. One of the most serious problems submitted was the present difference in economic conditions between different countries.

A Transit Sub-Committee agreed on the text of two draft Conventions concerning the conveyance in transit of electric power and the exploitation of hydraulic power on a route or forming part of a basin situated in the territory of several States. Another Transit Sub-Committee agreed finally on a general draft convention regarding transport by rail. These conventions will all be placed before the plenary session of the Advisory and Technical Committee in April, communicated to Governments, and finally discussed at the General Conference in November.

In the political sphere there was a further interchange of telegrams regarding the recent Council decision in respect of the Polish situation which will have to be examined again by the next Council. The Czechoslovak-Hungarian experts on the frontier dispute between these two States met at Geneva and will meet again at Paris under the presidency of M. da Gama, Brazilian representative to the Council, who is to make a preliminary report to his colleagues on the question.

A further series of questions arose concerning the Danubian. At Dornbirn, Mr. McDonald, the new High Commissioner, took up his duties.

The Committee on Traffic in Women and Children agreed to a series of resolutions regarding the employment of foreign women in licensed houses, the possibility of an expert examination into the actual extent of the White Slave Traffic and the employment of women police. Several Governments, including Canada, Great Britain, Denmark, Spain and China, submitted to the League the first notifications of the crimes of dangerous drugs being smuggled or illegally manufactured in violation of the Opium Convention.

Finally, as a sub-committee of the Committee on Intellectual Co-operation met at Brussels to discuss the international arrangement of scientific documents and the question of inter-university relations.

II — The Financial Reconstruction of Austria

The payment of the first instalments of the international short-term loan of £2 million pounds has followed shortly upon the successful issue of the negotiations for the loan by the Austrian Government. The full £3 1/2 million has now been advanced, and, in spite of the difficulties, the loan is progressing very well, over

The following sums have already been paid into Special Account B (proceeds of loans), which is under the control of the Commissioner General

March 12	4 640,000 frs (Swiss)
— 13	5,490,700 fl (Dutch)
— 17	58,667,000 frs (French)
— 19	5,980,000 frs (Belgian)

The English and Swedish payments are awaited shortly

In order to draw upon these funds, in the measure warranted by the monthly deficit forecast by the agreement between the Austrian Government and the Provisional Delegation, the Austrian Government has to obtain the consent of the Commissioner General and at the same time to furnish proofs of the satisfactory execution of administrative reforms and economies

The Austrian Government has also opened negotiations for a long term loan, and to this effect has appointed a special commission to visit the chief financial centres and prepare its issue, which will be handled by banking groups in different countries, and the terms of which, as stated in the Geneva Protocols, will be subject to the authorisation of the Committee of Control of the Guarantor States

Administrative Reforms — During March a small number of important administrative reforms were supplemented by certain measures of detail which may, in the Government's opinion, economise 16 milliards of crowns (paper)

According to estimates for the period February 10th March 3rd furnished by the Government, 393 civil servants and 934 officials employed in State enterprises were dismissed

The total reduction of State personnel, from October 1st, 1922 to March 3rd, 1923 is 30,409 (12,485 civil servants or 16% of the whole number, including police and gendarmerie, and 17,924 officials employed in State enterprises, or 10% of the total) The reduction in the civil service staff is 20% of the total, exclusive of the police and gendarmerie and therefore twice as important as that of the other officials

In his third report to the Council, the Commissioner General states that these dismissals have been made without resorting to a corresponding simplification of the Government administration, and that, in his opinion, the different departments will have to be reorganised in order to pursue the reduction This applies especially to State enterprises and above all to the railway administration, as regards which it is necessary that the reduction of personnel should be proceeded with energetically

The railway question is the touchstone of Austrian administrative reform In the budget for 1923 the Government proposes to meet the railway deficit in the following manner

a) State grant for Federal lines	1 011 milliards
b) State grant for Lombards (southern lines)	510 —
c) State grant for certain local lines	128 —
Total	1 549 milliards

The total deficit for 1923 being 2,374 milliards, it is clear that the railway deficit is verily the most important part of the problem of the Austrian budget deficit This railway problem will have partly to be solved by the dismissal of superfluous staff According to Government estimates, the railway administration employs 50% of the whole staff At the same time, it is evident that this is not the only cause of the deficit in this department, and a thorough reorganisation of all services will be necessary in order to balance the budget To this end, the Government has appointed a committee of experts of Austrian nationality to draw up a scheme of reorganisation and intends to invite a foreign expert to examine matters and assist in an advisory capacity Negotiations in regard to this nomination are being conducted, the result of which may shortly be made known

Financial Situation — The following figures show the decrease in the budget deficit since the coming into force of the Geneva reconstruction scheme.

In October 1922 the deficit was 1,200 milliards. During the following months it decreased progressively to 404 1/2 milliards in January 1923, 375 1/2 milliards in February and 307 1/2 milliards in March. The monthly average deficit for the period January-June 1923, as estimated in the agreement concluded by the Austrian Government and the League Provisional Delegation, totals 438 6 milliards.

In January and February, therefore, the deficit was above the estimated average, in March, on the other hand, it fell considerably below the estimate, so that the Treasury has begun to recover its over expenditure. It is probable that the average for the first period of six months will not exceed the provision in the general programme.

Securities — Under the Geneva Protocols, the Austrian customs receipts and the returns from the Tobacco Monopoly are assigned as securities for the loans contracted by Austria with a view to meeting her deficit during the reconstruction period. Since the beginning of the year, the gross yields from these two sources are:

Receipts		
Customs	68 milliards	
Tobacco	100 —	
Total	168 milliards	

Receipts		
Customs	60 milliards	
Tobacco	110 —	
Total	170 milliards	

The total for March are not yet known, but it is certain that these receipts are ample sufficient for the interest and amortisation of the loans provided for in the Geneva scheme.

Currency — The exchange rate of the crown has remained stable. According to the latest information, the reserve in gold and foreign exchanges of the Austrian National Bank has increased during the period March 7th 15th by a sum corresponding to 66 milliards of paper crowns. The note circulation has increased by 1,249 millions, but the amount of banknotes decreased by 47 milliards, so that the total liabilities of the bank have only increased by 20 milliards.

If the government continues to improve its metallic reserve of 1,551,249 millions, totalling 1,776 of a note circulation equivalent to 1,255,033 millions if deducted for by the Statute, the Treasury Bonds total deducted, the coverage will be 66 1/2%, the highest figure yet attained.

The cost of living in March shows an increase of 6 1/2%, compared with January. During this period the world prices for certain articles have risen, and, in consequence, the retail prices of the Austrian market for sugar and meat, for instance, have registered a corresponding increase. It will be remembered that this increase followed upon a decline of 1 1/2% in three months and then an increase of 10 1/2%, so that the cost of living is still considerably lower than when the League first intervened.

Foreign Affairs — In general the economic situation has remained very stable and during the last few months, even though certain branches of the economy have suffered from the depression, the general picture is one of recovery. The situation at the International Spring Fair, which took place at Vienna in March, despite the depression was one of optimism. The result

of an enquiry made by the Direction of the Fair was that 98% of the exhibitors stated that they would probably attend the Autumn Fair

In January and February, the number of unemployed receiving the State dole increased from 165,000 to 160,000. At present, the number is decreasing at Wiener Neustadt, St Pölten, Bregenz, Salzburg and Vienna (in eight of the sixteen suburban districts). In the city of Vienna the number has decreased in certain branches and increased in others.

Appointment of Dr Zimmerman as Commissary General — Dr Zimmerman, whose provisional appointment as Commissioner General expired on April 1st has informed the League of his willingness to accept a definite appointment in this capacity.

Austria and the International Chamber of Commerce — At the invitation of the International Chamber of Commerce Sir Arthur Salter (Economic and Financial Section of the League Secretariat) spoke at the Rome Congress on March 24th on the League's work in Austria.

He described the scheme in detail and the results achieved up to date. He emphasised the significance of the work as being both *constructive* and *international*. In the three years after the war, he said, some £ 75,000,000 of public and private money had been poured into Austria from outside, and lost—without result. Now there was a prospect of Austria's being not merely kept alive for a time but *restored*—and without cost, for if all went well the guarantees would not need to be called upon.

The difference was a difference between piecemeal assistance without and without a plan and, on the other hand, a really comprehensive scheme enforced by international co-operation.

III — General Questions

I THE PERMANENT COURT OF INTERNATIONAL JUSTICE

a) *Next Session of the Court* — Two cases, that of the *S S Wimbledon* and that of certain individuals belonging to the German minority in Poland, have been placed upon the list of the ordinary session of the Permanent Court opening on June 15th.

1) *S S Wimbledon* — The case of the Applicant Powers, Great Britain, France, Italy and Japan, as instituted against Germany in connection with the refusal of the German authorities to allow the *S S Wimbledon* to have free access to the Kiel Canal, was deposited with the Registry of the Court on March 17th.

The German Government, in virtue of the right conferred upon it by the Court Statute, has appointed a judge of German nationality Professor Walter Schüring, to sit in the case.

The Polish Government has informed the Registrar of its desire to intervene under Article 62 of the Court Statute, which provides that a State considering "that it has an interest of a legal nature which may be affected by the decision in the case, may submit a request to the Court to be permitted to intervene as a third party."

2) *German Minority in Poland* — The Court has been requested by the Council of the League to give an advisory opinion on several points in connection with measures taken by the Polish Government with regard to certain individuals of

are in force in Poland. These persons have protested against being expelled from the Polish territory in form of German territory ceded to Poland.

b) *Death of Senator Barbosa* — The news of the death on March 1st at Buenos Aires of Senator Rui Barbosa, Judge of the Permanent Court, was officially communicated to the Secretary General of the League and the Registrar of the Court by Mr. Pichler, Brazilian Minister for Foreign Affairs. Senator Barbosa was one of the original judges elected to the Court, but had not, for reasons of health, been able to sit in any of its sessions. He had held the position of Brazilian Minister of Finance, and Vice President of the Provisional Government after the Republican Revolution of 1889, and was one of the authors of the Draft Constitution presented to the Constituent Assembly.

c) *Act of Election to replace Senator Barbosa* — The death of Senator Barbosa creates a vacancy in the Court which is to be filled by the Assembly and Council of the League, in the same manner as is provided for the first election of judges. The new judge, however, will be appointed only for the remainder of Mr. Barbosa's term of nine years, i.e. until December 31st, 1930.

d) *Date of election* — The Council, therefore, at its next session on April 16th, will consider the invitation on the agenda of the next Assembly in September of the question of the election of a successor to Senator Barbosa.

e) *Nomination of Candidates* — The judges of the Court are elected by the Assembly and the Council from a list of candidates nominated, not by the Government, but by what are known as the "national groups". In the case of countries represented on the Permanent Court of Arbitration at The Hague the "national group" for each country consists of the persons whom it has placed on the panel of that Court. In the case of Members of the League not represented in the Court of Arbitration, the "national group" is appointed for the purpose by the Government under the same conditions as provided for members of the Higher Court.

When the date of the forthcoming election is fixed, and at least three months before the date, the Secretary General will ascertain who are the members of the national groups and will invite them to make nomination in time to allow the list of persons nominated to be communicated before the Assembly meets to the delegations attending the Assembly.

The nomination is not by groups and not individually. Each group is recommended by the Court's Statute to consult its Highest Court of Justice, its Legal Faculty and Schools of Law, and its National Academies and national section of International Academies devoted to the study of Law.

The person nominated should, under the Statute, be "persons of high moral character, who possess the qualifications required in their respective countries for appointment to the highest judicial offices or are jurisconsults of recognized competence in international law."

On the present occasion, each group will be entitled to nominate two candidates.

f) *Manner of election* — The Assembly and Council meet and vote separately in the preliminary election. In order to be elected a candidate must obtain a majority of votes both in the Assembly and in the Council. It, however, is to be remembered, that the Assembly and the Council are not in agreement the same time, and therefore the election will be a two-stage process.

The Court Statute requires that the Assembly and Council elect the judges in a two-stage process. The Council elects the first judge, and the Assembly elects the second judge. The Council elects the first judge, and the Assembly elects the second judge. The Council elects the first judge, and the Assembly elects the second judge.

2 REGISTRATION OF TREATIES AND INTERNATIONAL AGREEMENTS

Among the conventions and treaties recently presented for registration, special mention may be made of the following

A treaty of arbitration concluded by Peru and Uruguay, presented for registration by the latter,

The engagements with regard to the Hapsburg dynasty entered into by Hungary,

A commercial agreement concluded by Austria with Czechoslovakia,

A special arrangement concerning telegraphic relations between Finland, Norway and Soviet Russia, presented for registration by Norway,

The Franco Hungarian Convention on Hungarian debts to French subjects being the application of Article 231 of the Treaty of Trianon,

An agreement and convention regarding postal and telegraphic relations between Albania and Italy

3 REDUCTION OF ARMAMENTS

a) *Mutual Guarantee Scheme* — In October last the Council requested all Governments to examine thoroughly the resolution of the third Assembly regarding a mutual guarantee scheme to be drawn up with a view to facilitating the reduction of armaments. At the same time the Council invited the Governments to communicate their opinions on the subject

The Secretary General, in conformity with a decision of the Council of January 31st, 1923, touching the advisability of fixing a date for the replies, has requested the Governments, on behalf of the Council to communicate their views, if possible, on or before June 1st

In his letter, the Secretary General draws the attention of the Governments to the value, both for the League and its special commissions, of answers which—over and above a general statement—would explain the political and technical standpoint of each Government towards the Assembly resolution as a whole

The Chilean delegation to the League has informed the Secretary General that the question of the reduction of armaments will be considered by the Pan American Conference at Santiago. The views of the Chilean Government will be communicated later

b) *Chemical and Bacteriological Warfare* — At the suggestion of Lord Robert Cecil, the Temporary Mixed Commission appointed a special committee, composed of Lord Robert Cecil, Colonel Requin, Admiral Segrave and General de Marinis Stendardo di Ricigliano, to report on the possible effects of chemical and bacteriological discoveries as applied in future warfare. The committee, which has now decided upon its methods of work, has established a list of experts and scientists in different countries with a view to securing their cooperation

The committee will not be called upon to decide what may be considered a legitimate use of chemical and bacteriological discoveries, it will neither approve or condemn, its role will be to determine the scope and gravity of the potential effects of such processes as applied to warfare

IV — Technical Organisations

1. THE PROVISIONAL HEALTH ORGANISATION

a) Epidemiological Intelligence — The sixth number of the Epidemiological Intelligence Bulletin has just been issued by the Health Section of the League Secretariat and is entitled 'Epidemic Diseases in Eastern and Central Europe, 1921-22, Number 10'.

The report deals in some detail with the incidence of the most important epidemic disease in Eastern and Central Europe, namely typhus, relapsing fever, cholera, dysentery, small pox, plague, epidemic disease of the central nervous system, malarial and enteric fever. It should be remembered that the statistics here made are based on the number of cases reported. While actual comparisons between countries are generally impossible the reports indicate roughly the chronological movement of the disease within comparable areas.

Briefly summarised, the comparison between 1921 and 1922, in so far as the reports have been received, is as follows:

The prevalence of typhus and relapsing fever was fully twice as great in 1922 as in 1921 in Russia, another extremely high epidemic wave occurring in 1921-1922. This wave was quite double the 1920-1921 wave, but was less than half as great as the grand wave of 1919-1920, judging from the number of cases reported. In Poland no improvement in 1922 over 1921 was noted for typhus, and the prevalence of relapsing fever has greatly increased. In Lithuania, typhus increased and relapsing fever showed no considerable change. In Latvia there was apparently an increase of typhus, but decrease of relapsing fever. In other countries decreases are shown, but the total number of cases reported are relatively small.

With the exception of the Ukraine and the Russian Black Sea littoral, the cholera situation improved considerably in 1922. In Russia, exclusive of the Ukraine, the number of cases reported in 1922 was about one fourth of those reported for 1921 since the great epidemic in South Russia of 1921 had come to an end. In the Ukraine however, a serious epidemic occurred in 1922, the number of cases in July (the highest month) of 1922 was four times as large as in July 1921. While small outbreaks were reported in a few localities in other countries, no serious epidemics were noted.

Notifications of dysentery probably mean nothing more than certain intestinal infection with similar clinical symptoms, but the prevalence of the disease in 1922 was apparently considerably less in all the countries concerned than in 1921. Even in Russia, for which the reports are extremely incomplete, there is no evidence of a marked increase.

Small pox declined in 1922 in all countries where it was markedly prevalent during the preceding year although its incidence was still high in Russia.

A serious outbreak of plague was noted.

The reports for the epidemic diseases of the central nervous system did not indicate any unusual prevalence during 1922 in the few countries in which the diseases were reported. Germany reported an encephalomyelitis epidemic, but, however, in considerable detail.

Statistics showed a considerable proportion in Russia during 1922, and the disease increased even more serious by the appearance of the tropical type in the Caucasus. The number and nature of the actually reported for Russia represent a high percentage of the total which have actually occurred.

There were no serious outbreaks of the disease during 1922 than during the preceding year.

b) *Periodical Reports of the Health Section General* — The Epidemiological Reports issued by the Health Section of the League Secretariat between March 1 and 15 (Nos 42-44) call attention to a distinct increase in Great Britain, Denmark, Belgium, Poland, Finland and Switzerland of encephalitis lethargica (sleeping sickness), as well as to the alarmingly serious condition of the Greek refugees particularly in Constantinople.

c) *Report on the Standardisation of Sera and Serological Tests* — The Health Section has just published the Report of the Health Committee on the Standardisation of Sera and Serological Tests that was issued after the Paris Conference on this subject (reported in the Monthly Summary of November 1922).

2 ECONOMIC AND FINANCIAL ORGANISATION

a) *Eighth Session of the Economic Committee* — The last meeting of the Economic Committee of the League of Nations, which was held at Geneva, March 26-30, was mainly devoted to the technical preparation of the conference on customs formalities, summoned for October 15 next.

The Committee decided to divide the preparatory work into two stages and to devote itself first of all to examining the point of view of customs administrations, reserving for a later session a study of observations suggested by the programme of the conference to private commercial and industrial organisations.

Experts chosen by the Economic Committee on account of their personal relations with the customs administrations of several of the countries more directly interested in the simplification of customs formalities took part in the discussions of the Committee. It was decided to ask each of them to draw up, in a personal way, a report on the improvements which could be made in the existing regime. Another meeting of the experts will probably be held at the beginning of May.

The work of compiling the suggestions of the private organisations will be undertaken for each country by the members of the Economic Committee. The definitive text of documents to be distributed to the Governments as a basis for the work of the conference will be drawn up at the next meeting of the Committee on May 15.

The Economic Committee decided to recommend the Council of the League to add the Irish Free State to the list of States not Members of the League of Nations invited to take part in the Conference.

The Committee considered a letter from the Director of the International Labour Office asking for its collaboration in the enquiry on unemployment decided upon by the Governing Body of the International Labour Office. The Committee, while recognising the interest of the enquiry undertaken by the I. L. O., decided to examine at a later session what kind of collaboration it might be possible to give.

b) *The Problem of double taxation* — The rapid and unprecedented rise in taxation resulting from the war has made the problem of double taxation more urgent and more serious than in pre-war days, when, comparatively speaking, taxation was almost negligible. It closely affects international trade and the flow of international capital at a time when economic and financial reconstruction is universally recognised to be of paramount importance. The problem has been discussed at virtually all the international conferences which have taken place since the war, and notably at the Brussels Financial Conference and the Geneva Conference. It is a matter of considerable complexity and it has been left in the hands of the League of Nations as a permanent international organisation.

The first step taken by the Financial Committee of the League towards a solution of the problem was the appointment of a Committee of Experts for which were obtained the services of four distinguished economists, namely, Professor Schigman (United States), Sir John Strain (Great Britain), Professor Bruins (Holland), and

Professor Senator Finaudi (Italy). Their task was to produce a theoretical basis of action to be followed by the consideration of its practical application by a body of officials from the Inland Revenue Departments. The first stage has now been concluded. The Committee of economists, with the exception of Prof. Einaudi, who was prevented from attending, has just finished its meeting in Geneva and has agreed upon a comprehensive report for submission to the Financial Committee. It is an original piece of work, following scientific methods, and informed by practical considerations.

The report begins with a full analysis of the economic consequences of international double taxation, followed by a detailed discussion of the general principles that govern international competence in taxation, in which it notes the evolution from the principle of an individual's political allegiance to that of his economic allegiance. In other words the consideration is not so much to what nation an individual belongs as to what state his economic interests belong. The report examines the constituent elements of economic allegiance and comes down to the two fundamental factors of (1) the location of property (or the origin of income) and (2) residence in the individual. It makes a classification of all the important categories of wealth, and discusses in each case to which of these two elements—origin of income and residence—seems to predominate.

The report discusses four different methods of solving the problem.

1. That an income should be taxed in the country of origin, irrespective of the residence of the taxpayer, and that the country of residence should remit the amount of such tax. The difficulty here is that under modern economic conditions the great creditor countries might not be willing to accept such a plan.

2. That residence of the taxpayer and not the origin of his income, should be the controlling consideration and that therefore all countries should refrain from taxing non-residents. The difficulty here is that the debtor countries might not be willing to accept.

3. That the tax should be divided arithmetically between the country of origin and the country of residence.

4. That instead of dividing the tax between the country of origin and the country of residence, there should be a classification of the different categories of wealth, some to be taxed according to origin and some according to domicile.

The Committee reach the conclusion that different considerations must apply to taxes on wealth as measured by property and as measured by income.

Regarding taxation of wealth as measured by property, the Committee believe that the fourth method (classification and assignment of sources), possibly modified by the third method (division of the tax) offers a suitable basis for mutual agreement and that its adoption could lead to immense improvement all over the world. In order to facilitate this division of the tax, and at the same time to diminish tax evasion, it would be desirable to enter into agreements for the mutual interchange of all relevant information, for which purpose the creation of a central clearing house might be found practicable. It is not considered possible to have a general convention to which every country could agree, but a series of agreements on the general principles outlined.

With regard to modern income taxation, however, the Committee explain the difficulty caused by the fact that during the past quarter of a century countries have been passing from taxation of land and capital to a system of taxation purely on the individual's whole income. This evolution is in various stages. Where there is, as in Great Britain, the United States, and Holland, the pure income tax on the individual, there are great difficulties in introducing either division of the tax or a classification and assignment of the sources. The Committee believe that ultimately, and especially as countries approach nearer to the pure income tax and become more highly industrialised, adoption of the principle of residence will become the only

logical one. They recognise, however, that owing to the wide differences between the interests of the exchequer of predominantly creditor and predominantly debtor nations, a sacrifice might be called for from the Governments of the latter that would make any such settlement at the present moment very difficult.

Their final conclusion is that for the present countries on a comparative plane of economic equality could very well afford to adopt the second principle of residence as against origin, and that where there are great difficulties in its adoption, the best plan would be to act in a very rough way, on the principle of *class fixation and assignment of sources*, modified by the division of the tax. The Committee make clear the urgency of overcoming the great and growing embarrassments in international intercourse occasioned by existing conditions.

5. COMMUNICATIONS AND TRANSIT

a) *Meeting of the Sub-Committee on Transport by Rail* — The Sub-Committee on Transport by Rail met at Geneva on March 19th. The following members were present:

Dr Robert Herold (Chairman), Switzerland,
M. Guillermo Drocman (Vice Chairman), Spain,
M. Francisco Amunategui, Secretary General of the Mixed Arbitral Tribunals, Chile.

Mr J. G. Baldwin, Representative of Great Britain on the River Commissions, is assisted by Mr. Kissan of the Transport Ministry, Great Britain.

M. Fontaneilles, Inspector General of Roads and Bridges, Vice Chairman of the Railway Board, assisted by M. Pourd, Chief Engineer Assistant Director of the Paris-Lyon-Mediterranée, France.

M. Holck Colving, Ministry of Public Works, Denmark.

M. S. Okuyama, Councillor of Embassy, Paris, assisted by M. Shinji Otsuki, Secretary to the Japanese Railway Ministry, Japan.

M. Ouang Han, Engineer, Kiu Han Railway, China.

M. Girolamo Singalin, Chief Inspector, Italian State Railways, Italy.

Dr. Steuermann, Inspector of Belgian Railways, Belgium.

M. Iondin Winiarski, Professor of Law, University of Poznan, Poland.

Experts

M. E. Isidore, Engineer, Technical advice to the Republic of Colombia.

Dr. O. Lankas, Director at the Ministry of Railways, Prague.

M. P. Wolf, Privy Councillor at the Ministry of Transport, Berlin.

The International Railway Union was represented by its Secretary General, M. J. Evere.

The work of the Sub-Committee centered about the preliminary draft of the General Convention on the International Regime of Railways as agreed upon by the meeting of experts in February.

The draft statute worked out by the Sub-Committee, which embodies the recognised international obligations regarding transport of rail, deals with the following questions: communication between the different railway systems and the international frontier traffic; the exchange of rolling stock; the relations between railways and their clients and the question of uniform transport contracts, tariffs, especially in connection with the principle of the equitable treatment of commerce; the financial relations between railway companies, with special reference to the different rates of exchange which prove a hindrance to international traffic; the settlement of differences between States; and the relations of the General Convention to the special conventions necessary to ensure its application.

The draft of the General Convention, as amended by the Sub Committee, will be submitted in April to the plenary session of the Advisory and Technical Committee. It will then be communicated to all Governments and, finally, laid before the General Conference on Communications and Transit to be held next November.

b) *Draft Convention on the Conveyance in transit of electric power* — In 1921, the Barcelona Convention referred to the League of Nations the study of certain questions in connection with the utilisation of electric power. The Sub Committee appointed by the League to examine these problems considered that two of them might form a basis for definite international obligations and the conclusion of international conventions. One of these questions deals with the conveyance in transit of electric power, a matter of general interest on the same grounds as the transit problem discussed at Barcelona, since, whereas the latter affects necessarily several States and can in no case be solved within the limits of the exclusive sovereignty of any one State. The other problem, that of the exploitation of hydraulic power on watercourses forming part of a basin situated in the territory of several States, resembles to a certain extent the problem of navigation on international waterways. Here again, an interstate agreement would be the most natural method of disposing amicably of property common, in some respects, to several States.

Owing to the wide use of electric power and the fact that political frontiers often form a serious obstacle to the laying of high voltage cables, the conclusion of an international agreement on the conveyance in transit of electric power is of considerable interest and to a certain extent, a new departure in international legislation.

The exploitation of hydraulic power, on the other hand, comes under a chapter of international river legislation which has already formed the basis of several interstate agreements and has been thoroughly studied by the jurists of different countries. The hydraulic power plant is, however, a comparatively new form of the utilisation of waterways, and the intensive exploitation of electric energy is of fairly recent date. It is certain that better cooperation between the riparian States of waterways forming part of one and the same basin would in many cases ensure a more systematic exploitation of hydraulic power.

After careful study of the subject, the special Sub Committee, at its meeting of March 7th to 10th, drew up the text of two draft conventions, which will be submitted to the Committee on Communications and Transit at its next session. As the questions at issue are practically new ones, the drafts do not embody a detailed and self-contained code, but merely certain governing principles, the actual application of which could be dealt with by special agreement which the States concerned would undertake to conclude as and when required. A fundamental principle of both draft conventions is that the methods proposed are based on purely technical considerations. Political frontiers should not be taken into consideration, save in exceptional circumstances when such a measure would not affect the scheme to any appreciable degree.

Another principle common to both conventions is that the contracting States undertake to settle by mutual agreement all matters connected with the conveyance in transit of electric power and with the exploitation of hydraulic power on waterways.

As in the case of the Barcelona Convention on Freedom of Transit, the contracting States renounce levying special dues or taxes in respect of the transmission in transit of electric power. Further, the draft provides for the cooperation of States in promoting the execution of agreements concerning groups or individuals domiciled on their territory.

As regards the settlement of differences between States, arising out of the interpretation or application of general conventions or special agreements on this subject, the drafts provide for appeal for an advisory opinion to the body instituted by the League of Nations to examine matters relating to communications and

transit. In the case of the exploitation of hydraulic power however the draft provides for reference to the Permanent Court of International Justice if differences concerning exploitations prejudicial to the interests of one or more of the contracting parties. In every case, the contracting States, by common agreement, may submit their differences to the Court.

4 COMMITTEE ON INTELLECTUAL COOPERATION

The international organisation of scientific documentation and the question of inter university relations were discussed by two sub-committee of the Committee on Intellectual Cooperation at Brussels from March 19th to 24th. M. J. Destrée, former Belgian Minister of Art and Sciences, presided.

Sub Committee on Bibliography - The following persons took part in the discussions of the sub-committee on bibliography: M. Destrée, Madame Curie, M. Henri Pirenne, Chairman of the International Academic Union, M. Godet, Director of the Swiss National Library, Dr Huggart Wright, Director of the London Library, MM. Lafontaine and Oilet, Directors of the International Institute of Bibliography, Mrs Potter of the American Library in Paris, Professor Swarts and Professor Massart of the Universities of Ghent and Brussels, representing the International Research Council, M. Barha, Director of the Belgian organisation for the exchange of publications, M. Luchaire, Inspector General of Education in France, Dr Nitobe, professor at Tokyo University, Under Secretary General of the League of Nations, and Professor Halerki of the University of Warsaw. Secretary of the Committee on Intellectual Cooperation.

The main object of the resolutions passed by the sub-committee, which will be submitted to the next session of the Committee on Intellectual Cooperation, is to organise a simple, prompt and regular exchange of scientific information. Thus a resolution proposed by Madame Curie has in view the international coordination of bibliographic documents, particularly as regards the analyses of articles published in scientific reviews, in order to avoid overlapping and duplication of work. The sub-committee is of opinion that an experiment of this kind might be made without further delay in certain branches of scientific bibliography for instance, chemistry, physics and classical philology.

Further, the sub-committee recommends that a general catalogue be prepared to complete national catalogues, and considers that the International Institute of Bibliography at Brussels, which has already obtained certain results in this domain, should be chosen as the international bibliographic centre.

Two suggestions made by M. Godet were also adopted: one recommending the publication of an international catalogue of bibliographic works and institutes; the other, the organisation of bibliographic departments in national and central libraries.

The sub-committee decided to submit to the plenary session a scheme worked out by M. Bergson regarding the possibility of organising in certain centres complete libraries of the works published in all countries in the various domains of human knowledge. M. Bergson suggests that the libraries in all centres of learning should be reorganised with a view to the coordination and accessibility of their contents. To this end, the different libraries in the same town or region should be considered as parts of one whole, each library should specialise in one or more branches in order to promote a systematic division of the work, a general catalogue and special information services should be established. In this way, it would be possible to organise in one or several affiliated centres an important general and, to all intents and purposes, international library. Finally, an arrangement, by which the foreign catalogues of the libraries or library unions thus constituted could be completed and enlarged by exchange of publications, should be proposed to the different Governments.

The sub committee studied the means of improving the international exchange service of official and scientific publications. As a result of the Brussels Convention of 1886, exchange services were organised in different countries, and it is suggested that the organisation of these services should be improved and their number increased. The sub committee suggests that, prior to the meeting of a congress to discuss this question, the whole subject should be thoroughly investigated. A scheme of Professor Klemensiewicz, regarding the foundation of an international scientific review, will be examined shortly.

Sub Committee on Inter University Relations — The members present at the meetings of this sub committee were

M Jules Destree (Chairman) Professor Bannerjee of the University of Calcutta, Professor de Reynold of the University of Berne, Professor Masart of the University of Brussels, Professeur Paton, University of Oxford, M Luchaire, Dr Nitobe and M Halecki.

The Sub Committee resumed the investigation of several questions which were brought before it in December last (1). M Bergson's plan for the organisation of University courses on the psychology, the current problem and the vital interests of foreign nations, Luchaire's report on the advantages of international co-operation in the teaching of modern language and literature, Professor Bannerjee's scheme for the establishment of an Inter University Information Bureau, a suggestion of Mr Milikan regarding the publication of a manual of international history and reports by Professor de Reynold and M de Castro on the international exchange of lecturers and the equivalence of degrees taken at different universities.

V — Administrative Questions

1 THE FREE CITY OF DANZIG

M Mac Donnell, the new High Commissioner, took up his duties in Danzig early in March and will be present in Geneva, together with the representatives of the Danzig and Polish Governments, in order to discuss certain questions regarding Danzig before the beginning of the Council session (2).

2 THE SAAR BASIN

The first six questions concerning the Saar Basin which are dealt with below, have been placed on the Agenda of the April Session of the Council.

a) *Temporary Substitute on the Governing Commission* — On March 3rd the Chairman of the Governing Commission informed the Secretary General that Dr Hector, Saar Member of the Governing Commission, would not be able, on account of his health, to perform his duties for several weeks and had, as a consequence, in accordance with the Council's instructions of February 13th, 1920, appointed M Land, former Landrat of Sarrelouis, as his temporary substitute.

b) *Development of the Total German mine* — In pursuance of the resolution adopted by the Council at its last session (3) the Chairman of the Governing Com-

(1) See Monthly Summary Vol II n 2, p 346.

(2) See Monthly Summary Vol II n 5 p 91.

(3) See Monthly Summary Vol III n 2 n 23.

mission has forwarded a report containing a scheme for the development of the local gendarmerie during the financial year, April 1st 1923, to March 31st 1924. This scheme provides for enlistment and training of 200 local gendarmes (25 mounted in addition to a force 155 already in existence). The expenditure necessary for the maintenance of the entire force will amount to approximately 2 810 000 francs.

c) *The School Question* — The German Government has protested against the situation with regard to public instruction in the Saar Territory, which, in its opinion, is contrary to the Treaty of Versailles and, in particular, to the stipulation which provides that, under the control of the Governing Commission, the inhabitants shall retain their schools. The German Government claims that the development of the school system maintained by the French State Mines threatens the existence of the schools of the territory and asks, in particular, that the former principles governing education be re-established, that attendance at French schools be restricted to French children and that such French schools as are not primary or technical schools be abolished.

In reply to this note the Governing Commission maintains that it has not changed the framework of the organization of the school system of the territory, and states that the German legislation in force on November 11th, 1918, in the Saar has not been altered. It is explained that, according to Prussian legislation, children were allowed to attend a foreign school after having obtained the necessary authorisation. Under the Treaty the French State has the right to establish schools as incidental to the mines for its employees and their children. The Chairman of the Governing Commission points out that other children are only permitted to attend these schools at the express request of their parents, who are previously informed of the disadvantages which may result on account of certain German regulations. The existence of the local schools is in no way endangered as only 4 400 out of the total of 127 400 school children attend the French schools.

d) *Protection abroad of the Interests of the Inhabitants of the Saar* — The German Government, in a letter dated January 8th, 1923, pointed out certain practical difficulties with regard to the existing arrangements made by the Governing Commission, under which the protection abroad of the interest of inhabitants of the territory of the Saar Basin is entrusted to the French Government.

The German Government proposed that in future these interests should be protected by the authorities of the states of which such persons are nationals.

The Chairman of the Governing Commission, in reply to this note, discusses the legal position as well as certain of the practical aspects of the problem and concludes that there is no reason for the Governing Commission to modify its previous decision.

e) *The case of M. Frantzen* — Certain of the political parties in the Saar, as well as the German Government, have protested because M. Frantzen, an official of the Commission, was filling an important position in the Engineers Commission sent by the French and Belgian Governments to the Ruhr.

The Chairman of the Governing Commission, in his reply, stated that he had on January 6th, 1923 granted leave to M. Frantzen, who was also a regular French State mining official at the moment in the service of the Governing Commission, and that M. Frantzen had not received from that date any remuneration from the Commission.

f) *Telegram from the German Minister of Transport to the Saar Railway Administration* — The Chairman of the Governing Commission, maintaining that it constituted an interference in the administration of the Saar Basin, forwarded to the Council a copy of a telegram received from the German Minister of Transport to the Saar Railway Administration, concerning the attitude to be observed by the railway personnel in connection with the occupation of the Ruhr.

g) *Provisional Decree concerning Public Security* — In addition to communications regarding questions on the agenda of the Council, the Chairman of the Governing Commission has informed the Council of the coming into force on March 12th 1923, of an important provisional decree for the maintenance of order and public security in the territory. This decree is now under consideration by the "Advisory" Council of the territory.

VI — Political Questions

1. DELIMITATION OF THE FRONTIER BETWEEN HUNGARY AND CZECHOSLOVAKIA

A meeting of Hungarian and Czechoslovak experts, which was also attended by the British and Italian Members of the Boundaries Commission, was held last month in Geneva to report on the delimitation of the Hungarian-Czechoslovak frontier in the region of Salgó Tarján. The rapporteur to the Council, M. da Gama, has decided to communicate to the Members of the Council the statements and replies of the interested parties, and to call a meeting on April 12th, at Paris, of the Representatives of the Governments concerned and the British and Italian Members of the Boundaries Commission, that he may himself hear the views of these Governments and that any doubt on the various aspects of the problem and the possible solutions may be removed. He will then present to his colleagues on the Council a detailed report on which the Council can base its final decision to the acceptance of which both parties are voluntarily pledged.

2. THE POLISH-LITHUANIAN DIFFERENCE

In connection with the recent incidents regarding the execution of the recommendation of the Council of February 3rd, the President of the Council has taken certain steps with a view to conciliating the adverse parties. Meanwhile, the territorial difference between Poland and Lithuania has been referred to the Conference of Ambassadors for a settlement of the frontier between the two States.

a) *Intervention of the President of the Council* — In reply to a telegram from the Acting President of the Council, the Polish Government stated on February 22nd that the recommendation of the Council had been closely followed by the Polish troops. The Lithuanian Government, in its reply of February 27th, announced that Polish forces had invaded Lithuanian territory at various points, attacking Lithuanian troops, mainly in the district of Suwalki. Both Governments expressed their desire to avoid an armed conflict.

In his reply the President of the Council took note of the pacific intentions of the interested parties. The Polish Government, in a telegram to the President dated March 9th, emphasised once more its desire for a peaceful settlement.

According to information received by the Secretary General, the frontier laid down by the Council effectually separates the areas inhabited by Poles from those inhabited by Lithuanians.

b) *Decision of the Conference of Ambassadors, March 15th, 1923* — The creation of neutral zones in the region of Vilna, a measure taken with a view to preventing armed conflict, was never intended to anticipate in any way a definite solution of the territorial difference between Poland and Lithuania. In all resolutions on the subject, especially in that of January 13th, 1922, regarding the territorial difference between the two States, and in its recommendation of

February 3rd, 1923, on the replacement of the zone by a provisional line of demarcation, the Council has invariably emphasized the fact that the territorial rights of both States would remain absolutely intact.

The Polish-Lithuanian difference could have been entirely settled by the Council if the interested parties had accepted its arbitration. Under Article 67 of the Treaty of Versailles, however, the Principal Allied Powers, with the consent of Poland, a signatory State, reserved the right to determine Polish frontiers not laid down by the Treaty. The interested parties, therefore, could appeal to the Principal Allied Powers represented by the Conference of Ambassadors.

On February 15th, 1923, the Polish Government officially requested the Conference of Ambassadors that the Principal Allied Powers might, without further delay, make use of their prerogatives in virtue of Article 67 of the Treaty regarding the delimitation of the Polish frontiers.

The Conference of Ambassadors, after examining the question at the beginning of March announced its decision, fixing day and the frontier between Lithuania and Poland, on March 15th.

3. UPPER SILESIA

At its last meeting in Paris the Council of the League, in consideration of the League's interest in the settlement of the Upper Silesia question, was requested by the Conference of Ambassadors to appoint a mining expert to advise the Demarcation Commission in Upper Silesia on certain questions concerning the drawing of the frontier with reference to the Dülbeck coal mine. Mr Pablo Fabrega of the School of Mines, Madrid, has been chosen for this purpose.

VII — Social and Humanitarian Questions

1. SECOND SESSION OF THE PERMANENT ADVISORY COMMITTEE ON TRAFFIC IN WOMEN AND CHILDREN

The Permanent Advisory Committee on Traffic in Women and Children held its second annual session at Geneva from the 22nd to the 27th March. The Committee was composed of the following members:

Government Representatives

Mr Harris (British Empire), Dr Estrup (Denmark), M. Boulogne (substitute for M. Renoult) (France), the Marquis Caluso (Italy), M. Okuyama (Japan), at the first four sittings by Mr Usami (Japan), M. Posner (Poland), M. Greciano (Roumania), Sr Archibald McIntyre Rios y Villegas (Spain), Dr Paulina Lusi (Uruguay), Miss Grace Abbott (United States of America).

Assessors

Miss Baker (International Bureau for the Suppression of Traffic in Women and Children), Mme Thutler (substitute for Mme de Montmarché) (Catholic Association for the Protection of Girls), Mme Avril de Saint-Croix (Women's International Organisation), Mme Studer Steinhausen (Federation of National Unions "Les Amies de la Jeune Fille"), Mr Cohen (Jewish Association for the Protection of Girls and Women).

In opening the meeting, the Chairman welcomed Mr Posner and Dr Paulina Lusi, who were present for the first time, and expressed the Committee's

recognition of the value of the cooperation of the United States, which had recently appointed Miss Abbott to represent them in an unofficial and consultative capacity.

In accordance with the Assembly resolution the Committee discussed the question whether, pending the abolition of the system of state regulation, it could be agreed that no foreign woman should be employed or carry on her profession as a prostitute in any licensed house. The majority of the members were in favour of the measure even though it might only be regarded as a first step towards abolition. An objection was, however, made that the resolution, in raising the question of state regulation, went beyond the scope of the Committee's work, which is limited to the international traffic in women, whereas state regulation is a national matter. In reply to this objection it was pointed out that there was a very close connection between the traffic and certain aspects of regulation, since the licensed houses were the principal cause of the traffic, and that moreover the Assembly and Council, in referring the motion to the Advisory Committee, had already decided that it was not outside the competence of the Committee. Other members were unwilling to support the motion because they believed that the proposed measure would be ineffective for the prevention of the traffic, and also because they did not wish to recommend legislation for, and in that way appear to countenance, a system of which they entirely disapproved. The motion was finally put to the vote and carried by four votes to two, with two abstentions.

Two recommendations arose out of this discussion. In the first place it was proposed that a questionnaire be issued to the members of the League for the purpose of collecting the various national opinions on the system of state regulation of prostitution. It was also recommended that women should be employed as well as men among the police engaged in dealing with prostitution.

As the amount of information at present available on the subject of traffic in women was not considered fully adequate for the successful performance of the task before the Committee, it was agreed that it was desirable to have an investigation for the purpose of finding out the extent of the international traffic and the effectiveness of the measures hitherto taken to suppress it. The Committee therefore decided to ask the Council to appoint an expert, or experts, for this purpose, who would collaborate with the Governments concerned, and with any specialists which the latter might wish to nominate.

An invitation had been received from the International Labour Office regarding cooperation in the interests of emigrant women. The Advisory Committee recommended that this invitation be accepted and that the Secretariat of the League be asked to collaborate with the Labour Office in obtaining information on matters relating to the protection and accommodation of women emigrants before departure, during the voyage and on their arrival in the country of destination, and also to the care of women who might for any reason be refused admittance at the port of disembarkation.

The Committee examined the information at its disposal, which included, among other material, the Progress Report prepared by the Secretary. From this it was evident that, of the thirty-six States that had signed or adhered to the International Convention of 1921, only ten had hitherto brought it into force. Various members of the Committee, however, stated that bills giving effect to the Convention were at present before their Parliaments and that ratification would probably soon take place. After reading the summary of replies recently received to the League questionnaire on national measures to prevent the traffic, the Committee heard the reports of work done by the international voluntary societies represented, showing in particular the protection offered to women in ports and railway stations. The Secretary of the International Bureau for the Suppression of the Traffic in Women also gave a report on her recent visit to the refugee camps in Greece and expressed the opinion that, in spite of the great difficulties that existed, everything possible had been done by the Greek authorities to prevent prostitution in the

amps and that there was no evidence of girl refugees either being employed in licensed houses in Greece or being carried out of the country by traffickers.

At its final meeting, which was held in public, the Committee discussed and approved the Report of the work of the session. This Report will be submitted at the next session of the Council, at Geneva, on April 16th.

2 THE OPIUM TRAFFIC

a) *Present situation as regards the International Opium Convention and the system of Certificates* — Up to the present date forty of the States Members of the League have brought the International Opium Convention into force, viz

Australia	Finland	Liberia	Salvador
Austria	France	Luxembourg	Serb-Croat-Slovene
Belgium	Great Britain	Netherlands	State
Bolivia	Greece	New Zealand	Siam
Brazil	Guatemala	Nicaragua	South Africa
Bulgaria	Haiti	Norway	Spain
Canada	Honduras	Panama	Sweden
China	Hungary	Peru	Uruguay
Cuba	India	Poland	Venezuela
Czechoslovakia	Italy	Portugal	
Denmark	Japan	Roumania	

Nine States Members have signed, or adhered to, the Convention, but without ratifying, viz

Argentina	Estonia	Paraguay
Colombia	Latvia	Persia
Costa Rica	Lithuania	Switzerland

and Salvador and Chile have signed and ratified the Convention but have not signed the Protocol bringing the Convention into force.

Of the States that are not Members of the League, Germany, the United States, and the Free City of Danzig are parties to the Convention, the Dominican Republic, Ecuador, Mexico, Monaco and Russia have signed, but not brought it into force, Abyssinia, Afghanistan, Liechtenstein and Turkey are non-signatories.

The present position with regard to the League system of import and export certificates, which provides that no licence to export dangerous drugs may be granted unless the application be accompanied by a certificate from the Government of the importing country, is as follows. Twenty countries have already put the system into practice, viz

Albania	India	Norway
Austria	Italy	Panama
Czechoslovakia	Japan	Poland
Denmark	Latvia	Siam
Estonia	Luxembourg	South Africa
Great Britain	Mexico	Spain
Greece	New Zealand	

Nine Governments have accepted the system, but without as yet notifying the date on which it will be brought into force.

Australia	Cuba	Netherlands
Bulgaria	Germany	Peru
China	Lithuania	Sweden

b) *Seizures of Opium and other drugs* — The first notifications of seizures of dangerous drugs have recently been received by the Secretariat of the League in conformity with efforts being made for the control of the opium traffic. These notifications include two statements from the Canadian Government concerning, first, a large seizure of goods falsely invoiced from Switzerland for Canada, and, second, a probably regular traffic from Germany to Spain, France, St. Pierre and Canada; a statement from the British Government concerning large consignments of morphine shipped to Amoy, China; and finally certain seizures made and punishments inflicted by the Spanish Government in connection with the traffic through Santander and Barcelona.

In each case, the Secretary General transmitted the information received to the countries immediately concerned and as a consequence several investigations are now being made.

1 — *Canadian seizure of drugs from Switzerland* — The Canadian Government reported the seizure of 45 lbs. of morphine cubes, 117 lbs. of heroin, and 65 lbs. of cocaine forwarded under a false manifest as cocoa powder by an agent in Switzerland. The seizure was made by the Customs Authorities working in conjunction with the Royal Canadian Mounted Police and is thought to be connected with four previous shipments from the same source consigned to fictitious companies. The information was immediately forwarded to the Swiss Government, which has replied to the Secretary General that an enquiry is being made into the facts given.

In this connection the Deputy Head of the Department of Health observes

"As regards the trafficking in the products of the opium plant, which are the basis for the underground drug traffic, we are very desirous of placing this matter before the League of Nations with a view to giving them a concrete instance of the difficulties the authorities encounter in attempting to prevent the importation of narcotics through the underground channels, and also for the purpose of affording them an opportunity of investigating who the actual shippers of these drugs were, and how they were able to export them from that country without the necessary licence as required under the terms of the International Opium Convention. While there are large quantities of these drugs seized in Canada from time to time, which have been smuggled into the country, it is not often that we are able to obtain information showing the origin of these shipments, as in this instance."

2 *Smuggling to Canada through St. Pierre Miquelon* — The Canadian Government also reports the smuggling of narcotic drugs shipped from Germany to Spain, thence to France, thence to St. Pierre Miquelon, off Newfoundland, and finally into Canada. The French and Spanish Governments and the German Representative on the Opium Advisory Committee have been informed of these statements in order that action might be taken to trace the shipments and ascertain their source.

3 *Clandestine shipments through the Port of Amoy, China* — The Chinese Foreign Office has reported the smuggling of morphine into China through the French and British Port Offices there. Later, the British Government reported that large shipments of morphine had arrived at Amoy concealed in registered mail forwarded through the Chinese Post Office and also through the British and French Postal Agencies, an examination of the covering letters showing that these consignments had been sent out by a firm in Denmark.

The Danish Government having instituted an enquiry at the request of the League, discovered that the firm in question had been exporting morphine and opium to Amoy at the rate of 300 kgs per annum.

The Danish Government reported that it had expelled the manager of the

firm, who is not of Danish birth, from the country and had advised the British Government not to grant permits for the export of drugs consigned to this firm

4 *Seizures by the Spanish Government* — The Spanish Government also reported the seizure of Barcelona of 500 kgs of opium and the imposition of fines totalling 6,800 pesetas against several persons, three of whom have been brought before the Courts. The authorities at Santander were stated also to have seized 25 kgs of opium and 15 kgs of morphine, heroin and cocaine coming partially from a factory in Lyons and partially from Germany. Consequently, the Spanish Government has been asked for any information it may have from either France or Germany in connection therewith

5 *Smuggling at Patras* — Cocaine was found in the possession of a crew of a British steamer searched by the police at Trieste in June 1922. This information was sent to the League Secretariat, together with a communication to the effect that the cocaine was probably smuggled aboard at Patras from the small boats that throng the port

The Greek Government was informed and has sent word that, as a result scrupulous attention has been paid to the control of foreign baggage at the port in question, the boatmen who communicate with the crews of steamers are closely supervised

VIII — Forthcoming Events

April	16th	Twenty fourth session of the Council of the League of Nations, Geneva
April	16th	Meeting of the Permanent Advisory Commission on Naval Military and Air Questions, Geneva
April	23rd	Session of the Advisory and Technical Committee on Communications and Transit, Geneva
May	15th	Ninth session of the Economic Committee, Geneva
June	4th	Session of the Temporary Mixed Commission for the Reduction of Armaments, Geneva
June	15th	Annual session of the Permanent Court of International Justice, the Hague
July	20th	Session of the Permanent Mandates Commission, Geneva
September	83rd	Fourth Assembly of the League of Nations, Geneva
October	15th	International Conference on Customs Formalities, Geneva

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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

MAY 1925

Vol. III No. 5

June 15th

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I — Summary of the Month

The outstanding events of May were the convocation of the fourth Assembly, the completion of the arrangements for the issue of the Austrian long term reconstruction loan and the meeting of the Advisory Committee on Traffic in Opium and Dangerous Drugs.

As regards the Assembly, the Acting President of the Council, Mr. Wood (Great Britain), convened all States Members of the League to meet at Geneva at 11 a.m. on September 3rd. At the same time the provisional agenda was circulated.

The final details for the flotation of the long term loan, which the Austrian Government has been authorised by the Council to issue, including the assurance

of 100 % guarantee and the distribution in the main financial centres, were definitely settled during the month. A foreign financial adviser was appointed to the National Bank, and a foreign expert was called in to conduct an inquiry on the Austrian railways with a view to introducing a more economical system of management.

The Opium Committee held a very important meeting which was attended by an American delegation whose members were representative of Congress, the Public Health Service, the State Department and the public. Agreement on certain general principles and on the next immediate measures for combating the drug evil was reached at this session.

Three other committees met at Geneva in May: the Economic Committee, the Supervisory Commission and the Committee on Allocation of Expenses. The Health Committee met at Paris: a special sub-committee of the Temporary Mixed Commission for the Reduction of Armaments came together in London and the representatives of Hungary and Roumania met at Brussels under the chairmanship of M. Arita, Japanese Representative on the Council, for the purpose of examining the question of the Hungarian optant in Transylvania.

The Supervisory Commission had to examine the League accounts for 1922. It made important reductions in the budget for 1924, whilst taking steps to place the organization of the League on a more stable financial basis.

II — The Financial Reconstruction of Austria

I AUSTRIAN LONG TERM LOAN

The final details for the flotation of the long term loan to be issued by the Austrian Government in accordance with the Geneva Protocols were completed during the month of May, when the guarantee of the various nations supporting the loan was brought up to a full 100 % and the amounts of issue of the loan were distributed among the main financial centres.

The total authorised amount of the loan as issued is the cash equivalent of 56½ million gold crowns excluding expenses. In addition there will be the sum of 20 million gold crowns promised as a direct advance by Switzerland, while negotiations for a similar direct advance are proceeding with Spain, which signed the Protocol, but did not send in its guarantee in time for the present issue. If these latter negotiations succeed, the total sum available for Austria will reach 90 % of the total of 650 million gold crowns contemplated under the Protocols as necessary for the reconstruction scheme, a total to be read in light of the fact that recent figures for receipts and expenditure indicate that the deficit will be somewhat less than the original estimate in the programme.

The primary security for this loan consists of the gross receipts of the Austrian customs and tobacco monopoly paid into the account controlled by the Commission of the League in Vienna (1). The average monthly gross yield of these two sources of revenue has been during the first four months of 1923 equivalent to 12½ million gold crowns (2), or about 15½ million gold crowns per annum, i.e. about 14 % of the total of the loans to whose service they are assigned.

The loan is moreover further secured by the guarantee of other countries, which have not been definitely given in the following proportions:

(1) Other specified assets may be called for by the Commissioner General of the League of Nations and the Committee of Control.

(2) At the average rate since September last it is approximately 14,400 paper crowns — 1 gold crown.

England	24 50
France	24 50
Czechoslovakia	24 50
Italy	24 50
Belgium	24 50
Sweden	2 50
Denmark	2 50
Netherlands	1 50
Total	100 00

It has, therefore, in addition to the estimated revenue, a 100 % government guarantee fortified by the deposit of collateral by all the guaranteeing Governments in the proportions respectively undertaken by them, designated in the respective currencies and supplied with coupon.

The loan is issued in the following currencies and in the following approximate proportions:

London	million pounds sterling
New York	20 " dollars
Vienna	10 " "
Paris	150 " French francs
Brussels	25 " Belgian francs
Amsterdam	2 1/2 million guilder
Stockholm	equivalent of 1 million gold crowns
Switzerland	25 million Swiss francs

With the exception of the French issue, which will take place in the middle of July, the date of the issues is June 11th.

2. APPOINTMENT OF A FOREIGN ADVISER TO THE NATIONAL BANK

The President of the Austrian Republic, on May 15th, appointed Dr. Karl Schnyder von Wartensee, vice president of the Swiss National Bank, as foreign adviser to the Austrian National Bank. This appointment was made on the proposal of the Council of Ministers, following selection of Dr. Schnyder by the Commissioner General, approval of this measure by the Board and Assembly of the National Bank,—and the ensuing amendment of the statutes,—and the necessary legislation by the Austrian Parliament. The appointment was made with a view to assisting the National Bank to place the Austrian financial and monetary system on a sound basis and to strengthen the confidence of other nations in Austria's future. The powers of the foreign adviser are far-reaching. By virtue of the Bank statute, as amended for the purpose, the adviser has the right to know all the affairs of the Bank and to see all documents, in particular the reports of the director general to the chairman. The bank officials and clerks must, *ex officio*, furnish him with any information he may desire. He is empowered to request the convocation within a given time of the advisory and administrative board and to attend their meetings and those of the General Assembly in a consultative capacity. Moreover, in certain cases to be determined later, important decisions of the chairman and administrative board can be taken only with his previous consent.

The foreign adviser will reside at Vienna during his term of office which will come to an end at the same time as that of the Commissioner General.

3. ENQUIRY ON AUSTRIAN RAILWAYS

As already stated (1) the railway deficit is by far the most important item of the Austrian budgetary deficit. If the various railway systems could be trans-

(1) See Monthly Summary, Vol. III No. 3, p. 46.

formed from a source of expense to a source of revenue, the problem of the Austrian budget would be very near its solution. The Commissioner General has therefore invited a foreign expert, Sir William Acworth, to investigate the causes of this deficit and the possibility of their elimination. Sir William Acworth is a member of numerous British governmental committees dealing with railway matters and also of the administrative boards of various railway companies. He is well known as a writer on railway questions in different countries.

The Commissioner General has requested the Swiss Government to authorise a Swiss railway engineer to assist Sir William Acworth for the reason that, as regards the difficulties of exploitation, the Austrian and Swiss railways have many points of similarity.

4. REFORMS AND GENERAL SITUATION

a) *State Administrative Reform* — The reduction of the number of ministries which was decided upon last month, is now an accomplished fact. The Cabinet is constituted as follows:

Dr. Ignaz Seipel, Chancellor
 Dr. Felix Frank, Vice Chancellor
 Dr. Alfred Grünberger, Minister of Foreign Affairs
 Dr. Viktor Kienbock, Finance Minister
 Dr. Hans Scharif, Minister of Commerce and Transport
 Dr. Rudolf Buchinger, Minister of Agriculture and Forestry
 Dr. Karl Vaugoin, Minister of War
 Dr. Emil Schneider, Minister of Education
 Dr. Richard Schmitz, Minister of Social Welfare

The number of ministers is higher by two than that of the remaining ministries, as the Minister of Foreign Affairs has been appointed chief of the corresponding department of the Chancellery and the Vice Chancellor is at the head of the Department of Justice.

By the combining of certain ministries, it has also been possible to simplify the organisation of various departments. The Chancellery, for instance, has given up its special premises to move in to the Ballhausplatz, which, up to now, was occupied by the Ministry for Foreign Affairs alone. Various administrative measures of detail, introduced during the past month, represent a yearly economy of twenty eight milliards of paper crowns.

b) *Reduction of number of officials* — According to the latest statistics, the Government has dismissed from October 1st 1922, to May 10th, 1923, a total of 15,250 officials and employees, 12,301 belonging to the Civil Service and 2,949 employed in nationalised industries or enterprises. As previously stated, however, the reduction of the number of officials is not taking place wholly in accordance with the scale laid down in the agreement between Austria and the Provisional Delegation of the League.

c) *Preliminary Budget for May* — In agreement with the Commissioner General, the Austrian Government has fixed the figure of expense for the preliminary budget for May at 730 milliards of paper crowns, while that for receipts is estimated at 428. This leaves a deficit of 302 milliards for the month, covered by the amount which the Commissioner General has placed at the disposal of the Minister of Finance from foreign credits granted to Austria. Since the putting into execution of the programme of reconstruction, the limits fixed by this programme for each of the monthly budgets have been observed. The deficit has

fallen from 405 milliards in January, to 372 in February, 308 in March, 305 in April, and 305 in May, making an average of 350 milliards per month, or a figure conforming with that fixed by the agreement between the Government and the Provisional Delegation of the League for the period January-June 1923 (expenses 719, receipts 138, deficit 581) — it may be added that last October, when the Provisional Delegation arrived at Vienna, the monthly deficit was 572 milliards.

d) *Budget for the first quarter of 1923* — It is evident from the statement of the expenses and receipts for the first quarter of 1923, as submitted by the Government to the Commissioner General, that the actual deficit for this period has been less than that admitted by the latter and even than that provided for by the Provisional Delegation. The deficit for these three months, indeed, amounted to 976 milliards of paper crowns, whereas the Commissioner General had admitted a deficit of 1,032 milliards (see later the figures for each of these three months, noting also that of the March deficit), 53 milliards were put against the account of the month of April.

According to the agreement between the Government and the Provisional Delegation the average deficit for each of the six first months of 1923, was to be 339 milliards, giving a total for the three months of 1,017. Consequently, the actual deficit for these three months is 41 milliards below the average fixed by the Provisional Delegation and 56 milliards below that provided for by the monthly budget. Considering that 53 milliards of deficit for the month of March were added to the figures for April, the real deficit for the first three months was 109 milliards below the total authorized by the Commissioner General for that period.

e) *Income from revenues devoted to Austrian Loans* — The receipts from the customs and the tobacco monopoly which with the guarantee of certain States constitute a security for the loans which Austria is to issue in order to overcome her budgetary deficit during the period of reconstruction, totalled for April 188 milliards of paper crowns, 81 came from the customs and 107 from the tobacco monopoly. The receipts for previous months were 170 in January, 170 in February and 188 in March. These receipts correspond to an annual revenue of 157 millions of gold crowns sufficient consequently, to cover 24 % of a loan of 650 millions of gold crowns as provided for by the Geneva Protocols.

f) *General situation* — The general situation continues to improve, notably in the constant diminution in the number of unemployed. According to the most recent figures, the number of unemployed receiving a dole, which stood at 168,147 at the end of February, at 155,772 at the end of March, at 131,694 at the end of April, fell on May 15th to 122,355. For Vienna and its environs these figures were respectively 97,800, 95,790, 83,230, 75,841.

The situation of the National Bank remains equally favourable, the reserves in gold and securities on May 15th constituting 65 1/2 % of the actual circulation instead of 20 % as actually provided for in the agreements.

III — The Permanent Court of International Justice

I SECOND ORDINARY SESSION

The second ordinary session of the Permanent Court of International Justice will open on June 15th, the date fixed by its Statute. Since its inauguration on February 15th, 1922, the Court has held one ordinary session from June 15th to August 1922, and has met once in extraordinary session in January 1923.

On the list of cases for the next session figure three questions, two of which have been referred to the Court by the Council of the League in the form of requests for an advisory opinion. One of the requests deals with a minority problem, namely, whether the measures taken by the Polish Government in regard to certain colonists are justified in view of the obligations undertaken by Poland towards its minorities, obligations which are laid down in the Treaty of Versailles and in the special Minorities Treaty signed by Poland (1).

The other request concerns the interpretation of articles X and XI of the Treaty of Peace between Finland and Russia signed at Dorpat on October 14th, 1900, and the declaration of the Russian Delegation (which is attached to the Treaty) regarding the autonomy of Eastern Carelia (2).

The third case, which has been brought before the Court by the Principal Allied Powers, consists in proceedings for damage against the German Government in consequence of that Government's refusal to allow the S. S. Wimbledon to pass through the Kiel Canal in March 1921 (3). This is the first instance of the arraignment before an international tribunal of a sovereign State by one or more other sovereign States.

The Principal Allied Powers have filed with the Court a case to which the German Government has replied by a counter case. Further, the applicants—within the time limit fixed by the Court—have filed a reply to which the respondent will answer by a rejoinder, which will terminate the written proceedings.

The Polish Government had notified the Registrar of the Court of its intention to ask permission to intervene in the case on the side of the Principal Allied Powers (4). The Polish Minister at the Hague has filed a request of his Government to this effect. This request alleges among other reasons advanced in justification of intervention that the German Government, by its action, has violated the rights guaranteed to Poland under article 380 of the Treaty of Versailles to which Poland is a party.

2. ELECTION OF A SUCCESSOR TO JUDGE RUY BARBOSA

The Secretary General on May 18th wrote to the national groups of judges of the Permanent Court of Arbitration at The Hague belonging to States mentioned in the Annex to the Covenant or to States which joined the League subsequent to the adoption of the Covenant, inviting them to nominate before August 1st, if possible candidates in competition to accept the duties of a member of the Court in succession to Judge Ruy Barbosa, deceased.

The letter points out that this election has been set for the meeting of the Assembly and Council commencing on September 3rd and requests the various Ministers for Foreign Affairs through whom the letters are forwarded to the individual members of the national groups, to inform those groups by telegraph in all cases where transmission of the letter might take more than a few days.

3. RATIFICATION OF PROTOCOL OF SIGNATURE AND OPTIONAL CLAUSE

The Ethiopian Government deposited on May 2nd the Instruments of Ratification of the Protocol of Signature of the Statute of the Permanent Court of International Justice and of the Optional Clause concerning compulsory jurisdiction.

(1) See *Yearly Summary*, Vol. III, Nos. 1 and 2, p. 60 and 82.

(2) See *Yearly Summary*, Vol. II, No. 2, p. 28, of III, No. 4, p. 89.

(3) See *Yearly Summary*, Vol. III, Nos. 1 and 2, p. 60 and 82.

(4) See *Yearly Summary*, Vol. III, No. 1, p. 42.

IV — General Questions

I CONVOCACTION OF THE FOURTH ASSEMBLY

The Fourth Assembly of the League of Nations has been convoked for Monday, September 3rd

On May 4th, the Secretary General transmitted to all State Members the following summons issued by the Acting President of the Council the Hon Edward Wood (Great Britain)

"I have the honour, in accordance with Rules I and V of the Rules of Procedure of the Assembly, of the League of Nations, to summon the Assembly to convene at Geneva at 11 AM on Monday, September 3rd 1923

All States Members of the League, fifty two in number are entitled to be represented at this meeting. In addition, any other States admitted to the League at the session may participate immediately after their election. One of the questions on the agenda therefore, is that of the admission of new States, the Irish Free State already having applied for admission at this session.

The first questions on the agenda are, of course, those of the internal organisation of the Assembly, which will probably occupy the first two days' sittings. They include the election of the President and six Vice Presidents, the nomination of the six main Committees and the election of their Presidents, who are *ex officio* Vice Presidents of the Assembly, the examination of credentials, and the adoption of the Agenda. The President and the twelve Vice Presidents form the General Committee of the Assembly.

The next question will be a general examination of the work of the Council and the Secretariat since the last session, and the measures taken to execute the decisions of the third Assembly. This discussion serves as an occasion for a general debate on the progress and policy of the League as a whole.

There will then follow detailed discussion on items initiated by the last Assembly, notably, the report of the Temporary Mixed Commission on the Reduction of Armaments, the report on the Canadian Proposal for the amendment of Article X, of the Covenant, and the Council's report on the information received as to the existence of slavery in certain parts of the world.

The next group of items comprises questions of administration of the Assembly. The Council and includes reports on nearly every phase of League business, thus providing a considerable accumulation of information on various political and technical questions. The work of all the Commissions of the League, such as those on Finance and Economics, Communications and Transit, Health, Opium, Traffic in Women and Children, Intellectual Co-operation, etc., will be discussed in this connection, together with certain other questions, such as a report by the High Commissioner on the question of refugees, the allocation of the expenditure of the League, and the protection of minorities in Estonia. Under this general heading, also, falls the question of the election to the Permanent Court of International Justice necessitated by the decease of Judge Ruy Barbosa.

Next will come any questions proposed by individual Members of the League. The Lithuanian Government has already put on the agenda two questions concerning its differences with Poland, while any other Member of the League is entitled to place a question on the agenda up to a month before the opening of the Assembly.

Finally comes a series of questions of League organisation, including the request of the Irish Free State for admission to the League, the budget for 1924, and the appointment of the six non permanent Members of the Council. In connection with the latter, the States chosen at the last Assembly for the current year are the following: Belgium, Brazil, China, Spain, Sweden and Uruguay.

Procedure of the Assembly — The Assembly, at its first session in 1920, drew up rules of procedure based on those existing in other parliamentary bodies and dealing mainly with the procedure of convocation, the debating and voting procedure, and the methods of work. Under these rules, the plenary sessions of the Assembly and of the Committees are held in public.

The Assembly meets in General Session at the Seat of the League on the first Monday in September. At the request of one or more Members of the League, and subject to the approval of the majority of the Members, a special session may be summoned. The length of the sessions, which is not fixed by the regulations, is usually four or five weeks.

The opening, suspension, and adjournment of the Assembly meeting are announced by the President, who also ensures the observance of the Rules of Procedure, closes the debates, puts questions to the vote, and announces the result of the voting. He is assisted by the General Committee in the constitution of the Committees, in deciding on the communications to be made to the Assembly, in drawing up the agenda for each meeting and in the determination of the order of priority of the items.

The voting procedure is that of the "Call of the Assembly", except when the Members decide that the method of voting shall be by heads of delegations rising in their seats, and in the case of decisions relating to individuals, which are taken by secret ballot. The "Call of the Assembly" takes place, as the Assembly may decide, either by naming each Delegation, whereupon one of its members replies "Yes" or "No", or by distributing to the Delegations voting tickets which are subsequently deposited in a ballot box and counted. Except for matters of procedure, including the appointment of special committees, which are decided by majority vote, and except where otherwise expressly provided by the Covenant or Treaties, decisions of the Assembly are taken by the unanimous vote of the Members represented.

At the three sessions so far held, the Assembly has divided the work on its agenda amongst six general Committees, which examined the questions in detail and reported to the plenary session. As several of these Committees often meet simultaneously and as each State has the right of representation on each Committee, this method ensures rapidity of work.

The Secretary General of the League is responsible for the Secretariat of the Assembly and its Committees. The Secretariat receives, prints, circulates, and translates documents, reports and resolutions; translates the speeches, drafts, prints, and circulates the minutes, files and preserves the documents and publishes the reports of the meetings.

2 REDUCTION OF ARMAMENTS

A) Use of Asphyxiating Gas in War — The Temporary Mixed Commission for the Reduction of Armaments, at its session in February last, resumed the examination of the question of the use of asphyxiating gas in war, and decided to invite the cooperation of experts in various countries, especially in those where the chemical industry is most advanced, with a view to collecting information thereon.⁽¹⁾

In accordance with this resolution, Sir Almroth Wright (Great Britain), M. Jules Bordet (Belgium), M. Richard Pfaffner (Germany), M. Th. Madsen (Denmark), Mr W. H. Welch (United States), bacteriologists, and Professor G. Bertrand (France), M. E. Maer (France), M. Nernst (Germany), M. Angeli (Italy), and M. Paterno (Italy) chemists, have been invited by the special committee studying the subject to take part in the work.

(1) See *Monthly Summary* Vol. III, 1922 p. 6.

In his letter to the different experts, the Secretary General points out that *this inquiry is not intended to reveal military information on scientific discoveries*, which Governments may regard as confidential, but rather to set out in precise terms the probable results—in the event of war—of the employment of the most recent scientific discoveries. The experts have therefore been asked to furnish as detailed and complete a statement as possible of the effect which would be produced on human, animal and vegetable life, and on the wealth and resources of a country, attacked by (1) chemical warfare by means of the most powerful explosive, chemical products, and gases, is already practised and developed since the last war, and by (2) bacteriological warfare by means of microbes or any other agent which might, in defiance of all human laws, be adopted by the nations because of its great efficiency.

B) *Draft Treaty of Mutual Guarantee* — The Sub Committee entrusted by the Temporary Mixed Commission with the examination of the draft Treaty of Mutual Guarantee submitted by Lord Robert Cecil in February last (1), met in London from May 14th to 17th. The following members were present:

Lord Robert Cecil, Chairman,
Lieut. Colonel Requin,
M. Janssen,
Colonel Lohner,
M. Jouhaux,
Colonel Rigge (substitute for General Marinus),
Count Bonin Longare,
Admiral Kuyokawa (substitute for General Nagao)

The results of the work of this Sub Committee and the report on the same subject drawn up by the Permanent Advisory Committee on Military, Naval, and Air Questions at its last session (2) will be submitted to the Temporary Mixed Commission at its June meeting.

C) *Private Manufacture of Arms and International Control of the Arms Traffic*. — The Acting President of the Council in accordance with the Council Resolution of April 21st, has addressed to the Secretary of State of the United States a letter asking whether the United States would be willing to inform the Members of the League as to the general lines on which they would co-operate in an attempt to solve on a universal and permanent basis the two problems of the private manufacture of arms and the international control of the arms traffic.

3. INTERNATIONAL AGREEMENTS

a) *Registration of Treaties and International Agreements* — The treaties and international agreements deposited for registration at the Secretariat during the foregoing month include:

A convention and several provisional agreements concluded at Helsinki in 1921-1922 by Finland and Russia concerning measures for the protection of the frontiers of the Contracting Parties, telegraphic and postal communications between the two countries, and the transport by rail of passengers, luggage and goods presented for registration by the Finnish Government.

An agreement relating to the exchange of postal orders concluded by the

(1) See *Monthly Summary*, Vol. III, No. 2, p. 4.

(2) See *Monthly Summary*, Vol. III, No. 4, p. 10.

United Kingdom of Great Britain and Ireland and Latvia, and an exchange of notes constituting an agreement between Great Britain and Belgium on the liquidation of enemy property, both presented by the British Government,

A change of notes concerning the prolongation of the period fixed by Article 63 of the Treaty of Trianon for emigration between the Serb Croat Slovene Kingdom and Hungary, presented for registration by the Hungarian Government, and

A provisional treaty of commerce concluded by Czechoslovakia and the Serb Croat Slovene Kingdom, presented for registration by the Czechoslovak Government

b) *Amendments to the Covenant* — The Cuban Government has deposited at the League Secretariat the instruments of ratification of the amendments to the following Articles of the Covenant approved by the second Assembly, 1921:

IV (Election of the non permanent Members of the Council),

XII XIII XV (Arbitration and judicial settlement of international disputes), and

XXVI (Condition of voting on, and ratification of amendments)

4. SESSION OF THE SUPERVISORY COMMISSION

The League budget and accounts — The Supervisory Commission met at Geneva from May 2nd to 9th for the purpose of examining the accounts of the League for 1923, the draft budget for 1924, and certain suggestions referred to it by the Assembly and the Council

The following members were present

M. Stefan Osusky, Minister of Czechoslovakia at Paris (vice chairman),

M. Noderbragt, Chief of the Economic Department of the Dutch Ministry for Foreign Affairs (rapporteur)

M. Luis Waddington, Financial Adviser, Cuban Legation, London,

Lord Meston of Agra,

M. Parra Peraz, Chargé d'Affaires for Venezuela, Berne

In the absence of M. Noblemaire, M. Osusky took the chair

The Commission, in examining the budget for 1924, endeavoured to apply to the various League organisations the principles of economy which are being put into practice under the present circumstances by the Governments of States Members of the League. Thus, although an increase of the working capital fund by 2,520,274 41 gold francs is provided for in order to put the League organisations on a more stable basis, the budgetary total for 1924, 24,980,957 41 gold francs, shows a decrease of 657,550 59 gold francs as compared with the budget for 1923 adopted by the third Assembly

The various changes in the budget were adopted after a careful study in collaboration with the Secretary General and other League officials

5. THE COMMITTEE ON ALLOCATION OF EXPENSES

The Committee on Allocation of Expenses met at Geneva on May 31st in order to continue its researches with a view to establishing an equitable system for the allocation of the expenses of the League

The following members were present

M. R. Edouard (France), S. Henry Strakosch (South Africa), Colonel Andrade Neves (Brazil), as substitute for M. Barboza Carneiro, Mr. Phillips (Great Britain), M. Soleri (Italy), M. Matsuyama (Japan), and M. Janovic (Roumania)

6 PUBLICATIONS ON THE WORK OF INTERNATIONAL ORGANISATIONS

The third number of the Quarterly Bulletin of Information on the Work of International Organisations has just been published. It is an up to date record of the activity of thirty six international bodies, including the International Chamber of Commerce, the Pan American Union, The International Air Traffic Association, the League of Red Cross Societies, the International Woman Suffrage Alliance and the International Committee of Agriculture.

A second edition of the *Handbook of International Organisations*, which was first published in 1922, will be issued shortly. This publication has been revised and completed, and contains information on three hundred and fifty international organisations founded by general treaties or private initiative.

V — Technical Organisations

I THE PROVISIONAL HEALTH ORGANISATION

a) *Sixth session of the Health Committee* ⁽¹⁾ — The sixth session of the Health Committee was held in Paris from May 26th to June 6th, with an interruption of three days when the members of the Committee attended the celebration of the Pasteur centenary at Strasburg.

The following members were present

Professor Th. Madsen (Chairman), Denmark,
Sir George Buchanan (Vice Chairman), Great Britain,
Professor L. Bernard, France,
Dr. Carozzi, International Labour Office,
Dr. H. Carrière, Switzerland,
Dr. C. Chagas, Brazil,
Dr. Chodzko, Poland,
Surgeon General H. S. Cumming, United States,
Dr. Lutrario, Italy,
Dr. Pulido, Spain,
Professor Santoliquido, Red Cross Societies

The Brazilian and American members, Dr. Chagas and Surgeon General Cumming attended for the first time, the latter sitting in an advisory capacity.

b) *Interchange of Public Health Personnel* — The second interchange of public health personnel ⁽²⁾ under the auspices of the Health organisation came to an end on May 16th, when twenty nine medical officers from Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Great Britain, Hungary, Italy, Japan, Norway, Poland, Russia, the Serb-Croat-Slovene Kingdom, Sweden and the United States met for three days at Geneva. Following the precedent set in the first interchange, the participants submitted reports on the results of the interchange, stressing the points that had been found valuable and proffering suggestions as to how future interchanges should be organised in order to ensure maximum result. After a general discussion on this subject, the organisation and working of the League, particularly that of its Health department, were explained by Secretariat officials, and a visit was paid to the International Labour Office.

⁽¹⁾ The Health Committee was still sitting when this number went to press. An account of the meeting will be published in the next number.

⁽²⁾ See *Monthly Summary*, Vol. III, No. 1, p. 1.

2 THE ECONOMIC AND FINANCIAL ORGANISATION

Ninth session of the Economic Committee — The ninth session of the Economic Committee took place at Geneva from May 14th to 17th. The following members were present: M. Dvoracek (Czecho-Slovakia), President, M. Herr (Switzerland), Sir Hubert Lowellyn Smith (Great Britain), M. Serruys (France), M. Brunet (Belgium), Mr. Matsuyama (Japan), M. Jensen (Denmark), M. Winiarski (Poland), M. Pugliesi (Italy), M. Andrade Neves (Brazil).

M. Ador, Chairman of the Economic and Financial Commission, also attended the meetings.

The agenda included the drawing up of the final programme of the International Conference on Customs Formalities, which will meet at Geneva on October 15th, the adoption of a draft convention on commercial arbitration, and the treatment of foreign nationals and enterprises admitted to establish themselves within the territories of States Members of the League.

a) Conference on Customs Formalities — The Economic Committee, in its consideration, at its May session, of questions relating to the International Conference on Customs Formalities, was assisted by the following experts:

Dr. Richard Blaha (Austria),
M. van der Cruyssen (Belgium),
M. Schoenbach (Czecho-Slovakia),
M. Elbel (France),
M. Tivadar Koenig (Hungary),
M. Pugliesi (Italy),
Y. Ueda (Japan),
Baron van Ittersum (Holland),
M. Rasinski (Poland),
M. Flores Porceda (Spain),
M. Hausermann (Switzerland),
M. Themptander (Sweden),
M. O'Shanahan (Uruguay),
M. W. Christian (Great Britain).

Whereas at its March session the Committee had to deal with comments and suggestions presented by experts on behalf of the customs administrations of the various countries, its May session was devoted to the consideration of suggestions submitted by private organisations, traders, and industrialists, to the revision of the draft programme of the Conference and to drawing up the final text of the documents which are to serve as a basis for the work of the Conference. Two new questions have been added to the original draft programme as approved by the Committee on September last, namely, the simplification of the procedure in connection with the granting and recognition of certificates of origin and the formalities relating to the reimportation free of duty of returned goods.

A special commentary on the items of the programme and three annexes embodying the recommendations and suggestions of the experts constitute together with the revised programme the final documentation for the Conference. These papers will be circulated to all States invited and to the International Chamber of Commerce, which has been invited to send a representative.

b) Arbitration Clauses in Commercial Treaties — The Economic Committee has definitely adopted the text of a draft convention on arbitration clauses which will be transmitted to all States Members of the League and form the basis of a proposal to be laid before the Assembly with a view to opening a Protocol for signature by States willing to adhere to the Convention.

By virtue of the Protocol, the Contracting Parties recognise the validity of agreements by which their nationals bind themselves to submit to arbitration differences which may arise in connection with a contract, even if the arbitration is to take place in a country to whose jurisdiction neither of the parties is subject. The Contracting Parties reserve the right to limit this obligation to contracts which are recognised as commercial by their own legislation.

The arbitration procedure will be governed by the provisions of the contract and by the law of the country or territory the arbitration takes place. The Contracting Parties agree to facilitate all steps in the procedure to be taken in their own territories in accordance with the provisions of their own legislation.

The Contracting Parties undertake that arbitral awards made in their territories shall be enforced by their authorities and that their tribunals shall, on the application of any of the parties, refer to the decision of the arbitrators disputes as to contracts containing valid arbitration clauses.

c) *Treatment of Foreign Nationals and Enterprises* — The Economic Committee has terminated its study of the treatment of foreign nationals and enterprises admitted to pursue their industry or occupation in the territory of the various States, and has embodied the results of its investigation in a series of recommendations which will be submitted to the Council and—subject to its approval—communicated to the States Members of the League.

Owing to the great variety of local differences and circumstances arising out of changes of frontiers and nationality in connection with the peace treaties, the Economic Committee is of opinion that it is not possible to present its conclusions—as in the case of the questions of unfair competition and customs formalities—in the form of a detailed programme to serve as a basis for an international convention. The Committee's investigation of the subject has led it to doubt whether the problem of the treatment of foreign nationals and enterprises is ripe for solution by means of a technical conference followed by a general convention. The Committee considers, however, that there is a reasonable prospect of obtaining general assent to certain principles by which States Members should be guided both in their national legislation and administration and in bilateral agreements concluded with other States, and hopes that the practical adoption of its recommendations may, at no distant date, make it possible to contemplate a further step in the direction of international action.

The Committee's report deals solely with the equitable treatment of foreign nationals and enterprises, which, in accordance with the laws of the various States, have been, or will hereafter be, admitted to pursue their industry or occupation in the territory of these States. It does not attempt to lay down rules in regard to the conditions of admission of foreigners and their enterprises or with regard to the industries and occupations they should legally be allowed to pursue. The Committee's recommendations may be summarised as follows:

In the case of persons or firms permitted to establish themselves in the territory of another State, the granting of the treatment in fiscal matters accorded to nationals should be admitted as an absolute rule. Should a person or firm be admitted to carry on an industry, trade, or other occupation, without being established in the country concerned, the fiscal treatment of such person or firm should not place them in a position of inferiority as compared with nationals. Taxation should be strictly limited to the capital invested in that country and to profits or revenues proceeding from business carried on in that country.

Foreign persons or firms permitted to establish themselves within the territory of any of the States Members of the League should be entirely free to acquire and possess all real or personal property necessary for their economic activity and be able to cede, exchange, donate or bequeath such property in accordance with the regime accorded to nationals. The fiscal regime applicable to the export of the product of the sale of real and personal property should not differ according to the

nationality of the exporter. Foreign persons or firms should be entitled to appear in court either as plaintiff or defendant.

d) *President of the League* — As an expert, Dr Franz Klein of Vienna University, has been appointed by the Economic Committee to sit on the committee which is studying the possibility of unifying legislation on bills of exchange.

This committee will meet shortly to examine the utility of convening an international conference to deal with the matter.

5. COMMUNICATIONS AND TRANSPORT

The International Railway Conference at Berne — The League Organisation on Communications and Transport in reply to a special invitation was represented at the Conference for the Revision of the Berne Convention on Goods Traffic, which met at Berne on May 1st.

The work of the Conference, at which nearly all European countries were represented, included the drawing up of a convention on the transport of passengers and luggage.

VI — Administrative Questions

1. FREE CITY OF DANTZIG

Decision of the High Commissioner — At the request of the Free City, the High Commissioner has given a decision, dated 29th April, concerning the *expenditure of the Harbour Board*. The decision stipulates among other things that the Danzig and Polish Governments shall, as soon as possible, in any case before the beginning of the 1924 financial year, conclude the financial convention provided for in Article 23 of the Treaty of November 9th 1920, and that in this convention it shall be expressly laid down in what way and at what time the budget estimates of the Harbour Board shall be submitted to the Governments of the Free City of Danzig and of Poland.

2. THE SAAR BASIN

a) *The Miners' Strike* — The Chairman of the Saar Governing Commission informed the Secretary General of the League by a letter dated May 15th that the Saar miners' strike, which began on February 5th, had come to an end on May 15th, following negotiations between the administration of the French State Mines and the workers' organisations.

The Chairman added that he had immediately given orders for the withdrawal of the reinforcements which had been called in for the purpose of maintaining public order and security during the strike.

b) *Preparatory measures for the Saar plebiscite* — The decree regarding measures to be taken to preserve documents of importance for the Saar plebiscite was promulgated by the Governing Commission on May 4th and published on May 16th in the Official Journal of the Commission (1).

(1) See the *Annuaire* Vol. III No. 1 p. 81.

3 MANDATES

a) *Treaty between Great Britain and Iraq* ⁽¹⁾ — The British Government forwarded to the Secretary General on May 18th for the information of the Council and the Members of the League a letter stating that a Protocol to the Treaty concluded at Baghdad on October 10th 1922 had been signed by Sir Percy Cox and the Prime Minister of Iraq on April 30th. The text of the Protocol follows:

"It is understood between the High Contracting Parties that, notwithstanding the provisions of article 14, the present Treaty shall terminate upon Iraq becoming a member of the League of Nations and in any case not later than four years from the ratification of peace with Turkey. Nothing in this Protocol shall prevent a fresh agreement from being concluded with a view to regulate the subsequent relations between the High Contracting Parties and negotiations for that object shall be entered into between them before the expiration of the above period."

b) *The Bondelwarri Rebellion* — The office of the High Commissioner of South Africa in London has just forwarded to the League of Nations copies of the Report of the Commissioner charged to enquire into the Rebellion of the Bondelwarri, together with a memorandum of the Administrator of South West Africa on the subject. The Commissioner has not been able to reach unanimous conclusions on all the points at issue. The Report has been circulated to members of the Mandates Commission for consideration at their next meeting in July.

The question involved first came before the League of Nations at the last Assembly when the representative of the South African Government reported that there had been certain difficulties in the mandated territory of South West Africa and asked that no judgment be formed thereon until the South African Government had had the chance to enquire into the circumstances. It is in connection with this statement that the South African Government has submitted the Report in question to the League.

VII — Political Questions

1 EXPROPRIATION OF HUNGARIAN PROPERTY IN ROUMANIA

In accordance with the Council Resolution of April 24th (1), M. Adatci, Inspector of Agriculture in Belgium and Procurator to the Council on the Hungarian request concerning the expropriation of Hungarian property in Roumania, brought together at Brussels, on May 26th, the representatives of the two countries concerned, to see if it might not be possible to effect an agreement between them. Count Esaky and M. Garaygo were present as representatives of Hungary, and M. Titulesco of Roumania.

The discussions lasted for three days during which M. Adatci was assisted by officials of the Secretariat, as well as by representatives of the two interested countries. M. Adatci submitted to a new examination each of the points raised in the Hungarian request to the Council and will place the results of this exchange of views before the next session of the Council.

2 UPPER SILESIA

Prolongation of M. Calonder's term of office — M. Calonder has accepted the prolongation of his term of office as chairman of the Upper Silesian Mixed Commission, as proposed by the Council at its twenty-fourth session ⁽²⁾.

(1) See Monthly Summary Vol. II, No. 10, p. 63.

(2) See Monthly Summary, April 1923, p. 87.

(3) See Monthly Summary Vol. III, No. 4, p. 71.

VIII — Social and Humanitarian Questions

I FIFTH SESSION OF THE OPIUM COMMITTEE

The most important meeting of the Opium Advisory Committee so far held began at Geneva on May 24th when the coming to a head of much of the regular work upon which the Committee has been engaged for the past two years coincided with the arrival of a strong American delegation including person representative of Congress, the Public Health Service, the State Department and the general public. As a result of the meeting agreement was reached both within the Committee and with the American delegates, first on certain general principles, and second on the next immediate steps for combating the dangerous drugs evil.

The members attending the meeting, except for the increased representation of the United States and new German and Japanese members, were practically the same as at previous sessions, M. Bourgeois (France) being elected chairman and Prince Charoon (Siam) Vice Chairman.

M. Chao Hsin Chu (China),
 M. Bourgeois (France),
 M. Poelgens (Germany),
 Sir Malcolm Delevingne (Great Britain),
 Mr. John Campbell (India),
 Dr. Sanichi Uchino (Japan),
 Mr. van Wietum (Netherlands),
 H. C. M. Ferreira (Portugal),
 Prince Charoon (Siam),
 Mr. Stephen G. Porter (United States of America),
 Bishop Brent (United States of America),
 Surgeon General Blue (United States of America).

Assessors

M. Henri Brenier
 Sir John Jordan
 Mrs. Hamilton Wright

The Committee's first decision was to hold its present sitting in public. At the January Session the question of publicity had been raised and referred to the Council for an opinion as to the right of a Committee advisory to the Council to meet in public. The Council having informed the Committee that the question of publicity was one for its own discretion, the Committee decided in favour of open sessions.

At the second meeting, on May 25th, the representatives of the United States presented to the Committee detailed statements concerning the views of the United States on the spirit and true intent of the 1912 Hague Opium Convention, the steps taken by the United States to make that Convention effective and the possibilities of finding a basis of cooperation between the League and the United States in the campaign against the abuse of narcotics. These statements were made as regards their general moral aspect by Bishop Brent who had taken part in both the Shinghai Opium Conference in 1909 and the Hague Opium Conference in 1912, and as regards the legal side by Mr. Porter who, as Chairman of the Foreign Affairs Committee of the House of Representatives, had secured the passage through

Congress of a Resolution on the drugs problem. The specific proposals submitted to the Committee as a basis of co-operation were:

- "1 If the purpose of the Hague Opium Convention is to be achieved according to its spirit and true intent, it must be recognised that the use of opium products for other than medicinal and scientific purposes is an abuse and not legitimate
- "2 In order to prevent the abuse of these products it is necessary to exercise the control of the production of raw opium in such a manner that there will be no surplus available for non medicinal and non scientific purposes "

Immediately after these statements, each of the members of the Committee in turn stated his general impressions of the American view. Thereupon the regular work of the Committee was resumed in order to allow opportunity for full consideration. As a result of this consideration, the Committee finally accepted a detailed resolution presented by Sir Malcolm Delevingne (Great Britain) looking to the acceptance of the American principles (with certain reservations felt to be in keeping with the Hague Convention), welcoming American co-operation, outlining the programme by which in the past two years the Committee had been attempting to secure similar results and making specific proposals for conferences of the interested States to discuss, first, the gradual suppression of prepared opium for smoking in various Pacific territories, and secondly, the limitation of the manufacture of opium and coca derivatives.

This resolution having been communicated to the American Delegation, which had temporarily withdrawn during the Committee's discussions, the latter replied suggesting certain changes. As a result of a new meeting, the following unanimous agreement was finally reached:

I That the Advisory Committee on Traffic in Opium accepts and recommends to the League of Nations the propositions of the United States representatives as embodying the general principles by which the governments should be guided in dealing with the question of the abuse of dangerous drugs, and on which, in fact, the international Convention of 1912 is based, subject to the fact that the following reservation has been made by the representatives of the Governments of France, Germany, Great Britain, Japan, Netherlands, Portugal and Siam:

The use of prepared opium and the production, export and import of raw opium for that purpose are legitimate so long as that use is subject to, and in accordance with the provisions of Chapter II. of the Convention.

II That the Committee appreciating the great value of the co-operation of the Government of the United States of America in the efforts which the League has for the past two years been making to deal with the question of the abuse of dangerous drugs, expresses the belief that the Governments concerned will be desirous of co-operating with that Government in giving the fullest possible effect to the Convention.

III That, in bringing the American proposals to the notice of the Council and the Assembly, the Committee would recall that, during the two years that have elapsed since the Convention came into operation, it has worked towards the same ends by (1) taking all possible steps to secure the adhesion of all countries to the Convention (2) investigating the question of the world's needs of the manufactured drugs for medical and scientific uses, with a view to the eventual limitation of the production of these drugs, (3) recommending the system of import certificate, arranging the exchange between states of information in regard to the illicit traffic in the drugs and proposing other measures for securing international co-operation in suppressing that traffic, (4) inviting the Powers with territories in the Far East to review their requirements of opium, and submitting proposals for an investigation by the Chinese Government of the conditions in China, with a view to the more effective application of Chapter II of the Convention.

and the solution of the problem of the use of prepared opium in the Far East, (3) collecting and publishing information as to the measures taken to give effect to the Convention and the position generally in all countries in regard to the traffic, with a view to securing the enforcement of the Convention.

IV That, as a means of giving effect to the principles submitted by the representatives of the United States and the policy which the League, on the recommendation of the Committee, has adopted, and having regard to the information now available the Committee recommends to the Council the advisability of inviting

(a) The governments of the states in which morphine, heroin, or cocaine, and their respective salts are manufactured and the governments of the states in which raw opium or the coca leaf are produced for export for the purpose of such manufacture,

(b) The governments having territories in which the use of prepared opium is temporarily continued under the provisions of Chapter II of the Convention, and the Government of the Republic of China

to enter into immediate negotiations (by nominating representatives to form a committee or committees, or otherwise) to consider whether, with a view to giving the fullest possible effect to the Convention of 1912, agreement could not now be reached between them.

(a) As to a limitation of the amount of morphine, heroin or cocaine, and their respective salts, to be manufactured, into a limitation of the amount of raw opium and the coca leaf to be imported for that purpose and for other medicinal and scientific purposes and as to a limitation of the production of raw opium and the coca leaf for export to the amount required for such medicinal and scientific purposes. The latter limitation is not to be deemed to apply to the production and export of raw opium for the purpose of smoking in those territories where that practice is temporarily continued under the provisions of Chapter II of the Convention,

(b) As to a reduction of the amount of raw opium to be imported for the purpose of smoking in those territories where it is temporarily continued, and as to the measures which should be taken by the Republic of China to bring about the suppression of the illegal production and use of opium in China.

Reservation by the Representative of the Government of India — The representative of the Government of India associates himself with the foregoing resolution, subject to the following reservation regarding paragraph I.

"The use of raw opium, as ordered to the established practice in India, and its production for such use are not illegitimate under the Convention."

In addition to this resolution the Committee studied in considerable detail the status of its regular work. A mass of statistic and other data prepared by the Secretariat from reports sent in by the Governments in answer to various questionnaires was gone through and consideration given to the status of the system of import and export certificates, annual reports, the statistics for the amounts of drug needed for medicinal and scientific purposes, the imposition of more severe penalties for violation of the drug regulations, and the status of the ratification of the 1912 Convention. In connection with the latter, Mrs. Hamilton Wright informed the Committee that the Turkish delegation at Lausanne authorised her to state that Turkey could ratify the Convention should

Gradual suppression of the use of prepared opium — Drafted resolutions were presented to the Committee by Sir Malcolm Delevingne for the execution of Part 2 of the Hague Convention for the gradual suppression of the use of prepared opium for smoking. These measures which were approved by the Committee call for a conference of the nations especially interested to consider whether it might be possible to reach an agreement on (1) abolition of the farm system and establishment of a monopoly, (2) sale of opium by public shops, (3) limitation of the

quantities of prepared opium put on sale (4) study of the system of registration and *licences* already introduced into certain Far Eastern territories, (5) unification of the price of opium, (6) standardisation of the penalties for the violation of the opium laws, (7) international agreement for the application of the previous measure, (8) periodical study of the situation.

Exchange of information. — The Committee also had before it an important document on seizures of drugs made by several nations. In view of the importance of information of this sort, a resolution was passed to the effect that the Governments be urged not only to communicate details of seizures to the Governments directly interested, but also to inform the Secretariat of important seizures, in order to obtain the widest possible publicity through transmission by the Secretariat to other Governments not directly interested, and to the Press.

2 TRAFFIC IN WOMEN AND CHILDREN

Ratification of the International Convention. — The Cuban Government deposited with the League Secretariat on May 7th the instrument of ratification of the *International Convention for the Suppression of the Traffic in Women and Children*.

IX — Forthcoming Events

June 15th	Second ordinary session of the Permanent Court of International Justice, the Hague
June 21st	Session of Financial Committee, Geneva
June 26th	Extraordinary session of Supervisory Commission, Paris
June 29th	Twenty fifth session of the Council of the League, Geneva
July 20th	Meeting of the Permanent Mandates Commission, Geneva
July 23rd to 25th	Meetings of the Sub Committees of the Committee on Intellectual Co-operation, Geneva
July 26th	Second session of the Committee on Intellectual Co-operation, Geneva
August 20th	Tenth session of Economic Committee, Geneva
September 3rd	Fourth Assembly of the League of Nations, Geneva
October 15th	International Customs Conference, Geneva
October 22nd	Fifth session of the International Labour Conference, Geneva

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GENEVA, 1922

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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

APRIL 1925

Vol III No 4

May 15th

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I — Summary of the Month

The month of April was notable mainly for the twenty fourth session of the Council, for the meetings of the Committee on Communications and Transit and the Permanent Advisory Commission on Armaments, and for a request from the Irish Free State that the question of its admission to the League be placed on the agenda of the next Assembly.

The Council met under the presidency of Mr. Edward Wood, the representative of Great Britain. In addition to the ten States Members of the Council, twelve other States, namely Albania, Austria, Bulgaria, Czechoslovakia, Finland, Greece, Hungary, Lithuania, New Zealand, Poland, Roumania, and South Africa, took part in the proceedings, according to the provision of the Covenant, which recognises the right of any Member of the League not represented on the Council to send a representative when there is any question in which it is particularly interested. In addition, the President of the Governing Commission in the Saar, M. Rault (French), the High Commissioner of the League of Nations at Danzig, Mr. Macdonnell (English), the Commissioner General of the League of Nations at Vienna, M. Zimmerman (Dutch), the High Commissioner for Refugees, Dr. Nansen (Norwegian), and the Chairman of the Permanent Mandates Commission, Marquis Enehodoh (Italian) participated in the work of the Council.

The Council was mainly occupied with political problems interesting Central and Eastern Europe—the delimitation of the frontiers between Hungary and Czechoslovakia, which was settled by an arbitral decision of the Council, the question of Hungarian optants and expropriations in Roumania which has arisen between Hungary and Roumania, and which the Council, having been unable to put forward proposals for an immediate solution, postponed for examination at a future session, the expulsion of Bulgarian elements from Western Thrace, which brought Bulgaria and Greece before the Council, the control of Bulgaria's execution of the military, naval and air clauses of the Treaty of Neuilly, the question of Eastern Carulia, which raises the problem of relations between Finland and Soviet Russia, and concerning which the Council decided to ask for the advisory opinion of the Permanent Court of International Justice, and Polish Lithuanian differences, whose latest phases were analysed by M. Hymans, representative of Belgium.

In the course of the same session the Council, on the advice of the Committee of Control of Guarantor States, authorised Austria to float the long term loan of 650 million gold francs provided for in the Geneva protocols and took note of the progress achieved in the work of financial restoration which has been undertaken in Austria under the League scheme.

The settlement of several international administrative questions relating to Danzig and the Saar, the solution of the problem of the nationality of the inhabitants of territories placed under Mandate B and C, a plan for an international enquiry conducted by specialists in agreement with the Governments on the traffic of women and children and a scheme for the resettlement in Greece of 25,000 Minor refugees, coupled with the issue by the Council of a Convention of 2,000, whose terms are at present being studied by the Finance Committee of the League, comprise in addition to the political questions discussed by the Council, the principal results of the session.

The main task of the Permanent Advisory Commission on armaments was to examine from a technical point of view the conditions of the application of Resolution XIV of the Assembly dealing with treaties of mutual guarantee. The Committee on Communications and Transit studied the draft conventions previously drawn up by special sub-commissions on the international railway regime and the international regime of ports, and examined several other problems.

Two new questions have been put on the agenda for the next Assembly, namely the election of a judge on the Permanent Court of International Justice in the place of the late M. Ruy Larboza, and the request from the Irish Free State for admission to the League.

The representative of the Lithuanian Government has announced the intention of his Government to ask that the question of the delimitation of the frontier between Poland and Lithuania and the Lithuanians' request for the advisory opinion of the Court on the legality of the Council's decisions at its recent third session be included in the next session's agenda.

II — The Financial Reconstruction of Austria

The whole present status and immediate future necessities of the League's plan for the reconstruction of Austria were surveyed during the sessions at Geneva of the Council of the League and of the Committee of Control of the Guarantor States, at which, in addition to the regular members, Monsignor Seipel, Austrian Chancellor, and Dr. Zimmerman, League Commissioner at Vienna, took part. The outstanding result was the authorisation granted to the Austrian Government to issue the long term loan foreshadowed in the Geneva protocol of October, 1922, on which the reconstruction plan is based.

1 THE COMMITTEE OF CONTROL

The Committee of Control of the Guarantor States met at Geneva on April 14th and 15th, under the chairmanship of M. Pantalone (Italy).

The following were present:

MM. Janssen	(Belgium)
Botella	(Spain)
Besson	(France)
Sir Henry Strakosck	(Great Britain)
MM. Patyn	(Netherlands)
Pohman	(Sweden)
Dunichert	(Switzerland)
Roos	(Czechoslovakia)

After examining the terms on which the Austrian Government desired to contract the long term loan and hearing the report by Baron Frankenstein, M. Peter Bark and Mr. Nixon, who conducted the preliminary negotiations on behalf of Austria, the Committee decided to approve the prospectus of the loan.

This loan, which is redeemable within twenty years, will be secured on the one hand by the proceeds of the Austrian customs and tobacco monopoly and guaranteed on the other hand by a number of states in varying proportions up to the total sum issued (100 per cent).

The prospectus provide for the appointment of "trustees" for the purpose of supervising the interests of bond holders and for the issue of simultaneous instalments in various countries. These instalments will be issued in the currency of the money market in which they are offered to the public.

2 RESOLUTION OF THE COUNCIL

The Council, in a public meeting on April 22nd examined from all points of view the progress already made in the Austrian project. The session opened with a report by M. Salandra, Italian representative, on the work of the Committee of the Council for Austria. This report, which was unanimously approved by the Council, stated that both the expenditure up to date and the present budgets were well within the provisions of the programme of reconstruction and that internal reforms had been made in several departments which would afford a solid basis for future economies.

The Council took special note of the Commissioner General's statement that the period was now approaching when the programme of financial reconstruction necessarily required considerable reductions in the limits of monthly expenditure.

and in consequence, the execution of drastic and energetic reforms, especially in the railway administration. The Austrian Government has already taken the first steps towards placing this administration upon a commercial basis, and is proceeding to elaborate a comprehensive scheme of reform for this purpose. The Council hoped that, without waiting for the application of the whole scheme, the Austrian Government would at once take in hand such obvious and practicable measures as could be realised at once. The Council also called attention to the necessity for increasing the rate of reduction in the number of officials throughout the administration.

In conclusion, M. Salandra said

"The Council has in mind the fact that the whole success of the scheme of reconstruction depends upon the continuously prompt execution of the reforms and that for this purpose the Protocols confer not only the right but the duty upon the Commissioner General to make the release of the proceeds of the loan placed in his hands conditional upon the due and satisfactory progress in those reforms."

As a result of the progress so far made, the Council stated that it was again confirmed in its belief

"That the scheme embodied in the Geneva Protocols gives ground for confident hope in the financial reconstruction of Austria, on condition that the Austrian Government and Parliament continue to show unrelenting determination and receive the confidence and continuous support of the Austrian people."

The Council, when taking note of the terms on which the Committee of Control authorised the issue of the long term loan, expressed the firm hope that this issue could meet with the same success as the short term loan.

The Austrian Chancellor, Monsignor Seipel, then assured the Council, on behalf of the Government, the Parliament and the people of Austria, that the endeavour required of them would be scrupulously persevered in until accomplished. They would all, he said, cooperate thoroughly with the Commissioner General, to whom he expressed his deep gratitude for his unflinching efforts to assist the Austrian Government in carrying out the reforms with a single hearted devotion to the cause of the revival of Austrian prosperity.

3. STATEMENT BY THE COMMISSIONER GENERAL

The Commissioner General of the League at Vienna, M. Zimmern, made a statement to the Committee of the Council for Austria on the administrative, economic and financial situation in Austria for the period March 15th to April 15th.

The main outlines of this statement, which will be reproduced in the Commissioner General's fourth report, are as follows.

(1) *Administrative reform*. — The number of ministries has been reduced from five to seven. The Ministries of Foreign Affairs, of the Interior and of Justice have been amalgamated with the Federal Chancellery, the Ministry of Communications with that of Commerce, and the postal and telegraphic administrations have been combined.

There has been on the other hand a certain slackening in the rate of dismissals of officials and State employees. The Austrian Government undertook to discharge 100,000 officials and employees between October 1st 1922 and July 1st, 1923. The first stage was accomplished according to the timetable, 25,000 employees being discharged by January 13th, 1923. Since then, however, the rate of dismissals has been slow. In order to carry out its undertakings the Govern-

ment should dismiss on an average 1,000 employees per week. During the present period it has dismissed

909 persons between March	4th and 10th,
681 — — —	10th — 17th,
232 — — —	17th — 24th,
108 — — —	24th — 31st,
108 — — —	31st — April 7th

By April 7th 32,520 persons in all had been dismissed. In order to keep its agreement, the Government must, between now and July 1st discharge 17,471 persons, an average of, 1,456 per week.

b) *Monthly budget*. — Since March the preliminary monthly budgets, drawn up by the Commissioner General and the Austrian Government, have been well within the limits laid down by the arrangement concluded for this purpose between the provisional delegation of the League of Nations and the Austrian Government. The deficit in April, as in March, is lower than the average provided for (339 milliards of paper crowns), the former being 305 milliards of paper crowns and the latter 308 milliards.

The Commissioner General is of opinion that the deficit will not be exceeded during the second half year, provided that the necessary steps for putting the economies into effect are taken at once.

c) *Security of the Loans*. — Receipts in March from the customs and tobacco monopoly which serve as security for the loans contracted by Austria, were as follows: customs, 73 milliards of paper crowns, tobacco, 115 milliard. of paper crowns, total 188 milliards, against 170 milliards in the preceding month.

This figure of 188 milliards represents 1½ million gold crowns per mensem, that is to say a guarantee which, even with interest at 10 per cent, would be adequate security for a loan amounting to 1,500 million gold crowns, instead of 650 million, which is all that is asked for.

d) *General situation*. — The economic situation appears to be improving. Several industries have recently received considerable orders. The Vienna Spring Fair was an undeniable success, 98% of the merchants taking part in it undertaking to come back for the Autumn Fair. This revival of business has resulted in a reduction of the number of unemployed receiving a State dole from 167,173 on March 15th to 155,772 at the end of the same month. The number of unemployed in Vienna and suburbs was 97,630 on March 10th, but had been reduced to 90,845 on April 7th. It is estimated accordingly that there has been a total reduction in the entire country of about 20,000 unemployed within the last week, about 7,000 in Vienna and its suburbs.

The crown remains stable, with a certain tendency to appreciate. Deposits in the banks and savings banks, which amounted in January to 124 milliards of paper crowns, reached at the end of March, 178 milliards, an increase of 54 milliards (43%).

Finally the position of the National Bank continues to be favourable. Reserves in gold and foreign currencies constitute 35 1/2% of the present circulation, instead of 20%, the ratio laid down.

III — General Questions

1. ADMISSION OF IRELAND TO THE LEAGUE

On April 20th the Irish Free State officially applied for admission to the League, Mr. Michael Mac White, representative of the Irish Free State at Geneva, handing to the Secretary General a letter signed by Mr. Desmond FitzGerald, Minister for Foreign Affairs. This letter was forthwith transmitted to all States Members of the League and the question of Ireland's membership automatically placed upon the agenda of the Fourth Assembly next September. The text of the application is as follows:

"SIR,

In accordance with the terms of Article 1 of the Covenant of the League of Nations, I have the honour to request that the Free State of Ireland may be admitted as a Member of the League of Nations and that this request may be placed on the agenda of the next meeting of the Assembly of the League.

The Government of the Irish Free State is prepared to accept the conditions laid down in Article 1 of the Covenant, and to carry out all the obligations involved in Membership of the League.

The Government will send representative, empowered to give all necessary explanation to the Assembly, and it will be glad in the meantime to give any information relevant to this application which may be required.

It is requested that this application may be brought without delay to the knowledge of all the Members of the League.

I have the honour to be, Sir,

(Signed) "DESMOND FITZGERALD,
Minister for Foreign Affairs."

2. REDUCTION OF ARMAMENTS

a) *Resolutions of the Council* — Several resolutions concerning the Reduction of Armaments were taken by the Council in its Session of 21st April.

In view of the letter of the Secretary of State of the United States that, while the Government of the United States was in cordial sympathy with the efforts to restrict the traffic in arms and munitions of war, it could not approve the provisions of the Convention of St. Germain, the Council decided, upon the recommendation of the Temporary Mixed Commission, to ask its President to ascertain whether the United States would be willing to state the lines on which it would cooperate with other governments, not only as regards the control of the traffic in arms but also as regards questions arising out of the private manufacture of arms. The reply would enable the Council to take, at the right time, any decision it might think fit as regards the proper manner of giving effect to the recommendation of the Assembly and of the Temporary Mixed Commission.

The Council also asked its President to transmit immediately for purposes of information, as suggested by the Temporary Mixed Commission, the draft Treaty of Mutual Guarantee submitted by Lord Robert Cecil to that Commission in February 1924. It also requested to reaffirm the importance which it attaches to having the Secretariat receive before June 1st, at the latest, any observations which the various Governments may make on Resolution XIV of the Assembly, which states the principle on which a treaty of mutual guarantee must be based.

As regards the Assembly's recommendation that certain European States be

invited to reduce their military, naval and air expenditure to the figures for 1913, the Council decided that in view of the serious objections brought forward by the Temporary Mixed Commission, it would be best to request that Commission to put forward concrete proposals for the consideration of the Fourth Assembly.

As a consequence of a resolution of the Temporary Mixed Commission, the Council also considered the question of the status of the six members of the Permanent Advisory Commission who sit as members of the Temporary Mixed Commission. It decided that these military, naval and air officers, when sitting on the Temporary Mixed Commission, *do so in virtue of their personal competence and not as delegates of the Permanent Advisory Commission which appointed them.*

b) *Tenth session of the Permanent Advisory Commission.* — The Permanent Advisory Commission on Military, Naval and Air Questions met in Geneva from the 16th to 23rd April, under the Chairmanship of Colonel Requin (France) in order to examine, from a technical point of view, the conditions governing the application of the principle contained in Resolution XIV of the Assembly with regard to the reduction of armaments as well as Draft Treaty of Mutual Guarantee put forward by Lord Robert Cecil. After a careful study of the two questions, the Commission prepared technical reports which it has forwarded to both the Council and the Temporary Mixed Commission.

The Swedish Members, Colonel O. E. Nygren, Major S. H. Gald, Rear Admiral C. F. W. de Riben, and Lt Commander E. W. H. de Wrangl, attended the Commission for the first time as a result of Sweden's election to the Council.

3 THE PERMANENT COURT OF INTERNATIONAL JUSTICE ELECTION OF A SUCCESSOR TO M. RUY BARBOZA

The Council, at its meeting of April 17th, decided to place on the agenda of the Fourth Assembly and on the agenda of the Council session held at the same time, the question of the election of a judge of the Permanent Court of International Justice, necessitated by the death of Mr. Ruy Barboza (Brazil). At the same time the Council placed on record in a formal resolution its sense of the loss which the Court had sustained through Mr. Barboza's death, and its sympathy with his family and country.

In connection with the election of a successor, the British Government drew attention to the desirability that candidates should have a working knowledge of both French and English in view of the fact that these languages are the official languages of the Court, and that in certain sections of international law there exist what may be called an Anglo-Saxon system, which is usually discussed in English, and a continental system, which is usually discussed in French. Similarly, the Japanese representative on the Council drew attention to the value of electing a judge who could devote a large measure of time to the work of the Court, as in its first year the Court had sat for no less than 144 days.

4 REGISTRATION OF TREATIES AND INTERNATIONAL AGREEMENTS

Among the treaties and international agreements presented for registration in April may be mentioned

An emigration and labour convention signed on April 6th, 1921, at Rome, by the Brazilian and Italian Governments,

An exchange of notes between the British and German Governments regarding the export from the United Kingdom to Germany of morphia and other narcotics,

An Anglo-Japanese agreement respecting the tonnage measurement of merchant ships,

an exchange of notes between the British and French Governments respecting the 1911 Hebrides Protocol of August 6th, 1911.

An Austro-Hungarian commercial agreement signed at Budapest on February 11, 1912.

A commercial treaty between Greece and Ethiopia signed at Addis Ababa on February 18th, 1912.

A convention concluded by the Argentine and Italian Governments respecting the compulsory payment of indemnities to workmen in case of accidents, signed at Buenos Aires on March 26th, 1912.

AMENDMENTS TO THE COVENANT

During April the Swiss and Netherlands Governments deposited the instruments of ratification of the amendments voted by the second Assembly to the following Articles of the Covenant:

IV (Election of the Non-Permanent Members of the Council),

VI (Allocation of Expenses),

XI, XIII and XV (Arbitration and Judicial Settlement of International Disputes),

XVI (Economic Blockade) and

XXI (Ratification of Amendments).

The Greek Government deposited the instruments of ratification of the amendment to article IV and VI.

6. NATIONALITY AND REGISTRATION MARKS ON AIRCRAFT

The International Commission on Aerial Navigation recently drew up a list of marks to be borne by the aircraft of different States as a means of distinguishing their nationality, each state being given a letter of the alphabet to indicate its nationality and another letter to indicate its registration. As an appreciable number of States were not included in the Air Convention of October 13th, 1919 by which the marks were accepted and as the International Commission is placed by the Peace Treaties, which created it, under the authority of the League, the Commission wrote to ask the Council if it would use its good offices with the Government of the State mentioned which are Members of the League of Nations to obtain their adhesion to the measures proposed. This letter having already been submitted to the League Committee on Communications and Transit, the Council decided to refer the request contained in it to the various Governments concerned, will comment the Commission might make.

7. REQUEST OF THE INTERNATIONAL ASSOCIATION FOR THE PROMOTION OF CHILD WELFARE

The request of the International Association for the Promotion of Child Welfare to be placed under the direction of the League was first discussed by the Council in September 1917. It was then decided to ask the Association for further details, particularly as it might be possible to modify the constitution of its Committee so that the majority should be composed of Government representatives.

The President of the Association, M. Carton de Wiart, having replied that the members of the Association would not be disposed to change its present constitution, the Council, at its twenty-fourth session, decided that, as various Governments seemed to take some different views of the question, the discussion should be referred to a subsequent meeting, in the hope of reaching a satisfactory solution.

8 APPOINTMENTS MADE BY THE COUNCIL AT ITS TWENTY FOURTH SESSION

The following appointments were made by the Council

M Vilnecik, head of department at the Czechoslovak Ministry of Finance, was appointed to the Committee on Double Taxation,

M Parmentier, honorary Director General at the French Ministry of Finance, was appointed as successor to M Aynon on the League Financial Committee,

M Zahle (Denmark) and M Parra Ponce (Venezuela) were appointed deputy members of the supervisory Commission,

M Uchino (Japan), Inspector General of Epidemics, was appointed member of the Health Committee,

The appointment of M Calonder, President of the Upper Silesian Mixed Commission was renewed for a further period,

M Henri Bremer, Sir John Jordan and Mrs Hamilton Wright were re-appointed assessors on the Committee on Traffic in Opium,

M Lorentz was appointed member of the Committee on Intellectual Cooperation and succeeds Professor Einstein, who has resigned (2)

IV — Technical Organisations

1 THE ECONOMIC AND FINANCIAL ORGANISATION

The report of the Economic and Financial Committee was approved by the Council in its session of April 17th

The report showed that the work of the Economic Committee's meeting in March had been devoted mainly to the preparations for the Customs Formalities Conference to be held at Geneva on October 15th. On the Committee's recommendation, the Council decided to add the Irish Free State to the list of States which, though not Members of the League, had been invited to the Conference (3)

The Council also took steps to have the revised text of the draft Convention on Commercial Arbitration (4) forwarded to Members of the League in time for consideration before the meeting of the Assembly. The substance of this Convention had previously been approved by the Council, and its details since worked out by a committee of legal experts

The report of the Experts on Double Taxation (5) is similarly to be transmitted to the committee of government officials which is studying this question from its administrative point of view and in relation to the problem of fiscal evasion

A vacancy having arisen on the Financial Committee through the resignation of M Ateral, who has succeeded M Monnet as Deputy Secretary General of the League, the Council decided to appoint as his successor on the Committee, M Parmentier, Honorary General Director in the French Ministry of Finance

2 PROVISIONAL HEALTH ORGANISATION

a) *World dairy congress* — The Health Organisation recently received a request from the World Dairy Congress to be held in Washington in October under the

(1) Dr Lorentz, who is Professor of physics at Leiden University, has received the Nobel prize for physics. He is president of the Royal Dutch Academy of Science and has taken an active part in the recent development of new theories

(2) See *Monthly Summary*, March 1934, p. 62

(3) See *Monthly Summary*, February 1934, p. 14

(4) See *Monthly Summary*, March 1934, p. 70

auspices of the United States Government, for any cooperation which it could fully give as regards the work of the Congress. Later in connection therewith, information was received from an official of the Department of Agriculture, Washington, confirming the value attached to the Congress by the United States.

The Chairman of the Health Committee having informed the Secretary General that he considered the matter of sufficient technical importance to be brought to the notice of the members of the Council, the Council decided at its April session to authorise the Secretary General to convey to States Members of the League such information as may seem useful in connection with the Congress, and to request the Health Committee to give such cooperation as it may find practicable in all technical matters within its competence.

3. COMMUNICATIONS AND TRANSIT

The Council decided at its twenty-fourth session to convene for November 15th at Geneva the second General Conference on Communications and Transit and requested the Secretary General to invite to it States Members of the League and such non Member States as are entitled to attend under the regulations of the Conference. Various items on the Conference agenda including several draft conventions, were studied in detail at a plenary session of the Committee on Communications and Transit, held at Geneva from April 23rd to 30th.

The following members were present at the latter meeting

M Fernandez y Mesina, chairman	(Uruguay)
M Amunategui	(Chile),
Mr Baldwin	(Great Britain)
M Brockmann	(Spain)
Jonkheer van Fytinge	(Netherlands)
M Herold	(Switzerland)
M Holck Colding	(Denmark),
M Montarroyos	(Brazil),
M Okuyama	(Japan)
M Quang Han	(China),
M Pourcel	(France),
M Seeliger	(Germany),
Assisted by V Oppermann and M Peters	
M Singala	(Italy),
M Winiarski	(Poland),
M Stievenard	(Belgium)

And the experts

M Bignami	(Italy),
M Isabelle	(France),
M Lankas	(Czechoslovakia),
M Wolf	(Germany)

Among the draft conventions to be submitted to the General Conference, the International Railway Convention ranks first in importance. It has been drawn up in the form of a convention and statute and embodies the principles of recognised international obligations. The Conference will also examine draft conventions on the conveyance in transit of electric power and the exploitation of hydraulic power on waterways forming part of a basin situated in the territory of several States.

The draft statute on the international regime of seaports will also be studied by the Conference. The text of this convention is based on the port regulations of the Convention on waterways of international concern as well as on certain

desiderata of the Barcelona recommendations relative to ports placed under an international regime

The convention provides that craft sailing under the flags of contracting States shall have free access to the ports of other contracting States and enjoy a treatment of absolute equality with regard to stationing, loading and unloading, as well as facilities regarding tonnage and other levies. No distinction shall be made to the detriment of nationals, property or flag of any contracting State. The draft contains provisions relative to customs, to ship builders discriminating systematically against the nationals of certain States, to the transit traffic of passengers and goods. The scope of the convention does not extend to the use of ports by warships.

Disputes concerning the interpretation or application of the proposed statute will be submitted, should direct negotiations between the parties fail to reach a compromise, to the Permanent Court of International Justice.

V — Administrative Questions

1 AN ADVISORY INTERNATIONAL ADMINISTRATIVE COMMITTEE

In its sitting of April 10 the Council decided that the consideration of the draft scheme for setting up an advisory international Administrative Committee, drawn up by the Secretary General under instructions from the Council (1), should be postponed till its next session. Amendments were proposed by the French Government, and the Polish representative submitted certain observations on the plan as presented.

2 DANZIG

Most of the questions which had been placed on the Council agenda were settled by agreement between the two parties as a result of direct negotiations at Geneva, under the auspices of the League High Commissioner and with the help of the officials of the Secretariat, prior to the meeting of the Council. Thus the Council had merely to take note of the agreements on the subject of the *letting of certain property by the Harbour Board of Danzig, the establishment of a Polish office for sorting letters in the chief station of Danzig, and of the official language to be employed by the Danzig Harbour Board*. The two parties agreed to postpone the discussion of a *proposed directorate at Danzig for Polish railways* to the next session of the Council.

Financial position of Danzig — The Council instructed the Secretary General to continue negotiations with the Reparations Commission and the Conference of Ambassadors in order to secure priority for the Free City, for the purpose of agreed operations not in excess of 500,000 gold marks, the object of which would be to supply the Free City with the necessary amount of currency.

3 THE SAAR

a) *Development of local gendarmerie* (1) — The Council took note of the programme drawn up by the Governing Commission, which provided during the financial year for the recruiting and instruction of 200 new gendarmes. The total num-

(1) See *Monthly Summary* for February 1923, p. 8.

(2) See *Monthly Summary* No. 20, p. 63.

bers of the local gendarmerie were thus raised from 155 to 355. The Council invited the Governing Commission to submit to it before the adoption of the 1924-1925 budget, a programme for the local gendarmerie for that year.

The President of the Governing Commission, H. Rault, explained to the Council the reason for the recent increase of French garrison troops in the Saar. The number of these troops which was about 2,000 has lately been raised to nearly 4,000. M. Rault pointed out that the Governing Commission had been authorised by the Council to maintain and reinforce the number of garrison troops in case of necessity. As a miner's strike had broken out involving the cessation of work by about 100,000 workmen, the Governing Commission had had to ask for reinforcements in order to ensure the protection of the French State mines. This situation, added M. Rault, is temporary and the moment the miner's strike comes to an end, the reinforcements recently called in will leave the territory.

b) *The protection abroad of the interests of the Saar inhabitants* (1) — The conclusion of the report adopted by the Council is as follows: "no one appears to contest the legality of the existing situation, under which the protection abroad of the interests of Saar inhabitants is entrusted to France. The German Government claims that many practical difficulties result from this arrangement and proposes a new system to remove them. The Governing Commission deals with the legal aspect of the case and doubts the existence of difficulties which make it desirable to modify the present arrangement." A copy of the note from the Governing Commission explaining its point of view, as well as a copy of the Council's report, will be communicated to the German Government.

c) *Public education* — The Council decided to communicate to the German Government a copy of the letter of March 8 from the President of the Governing Commission concerning public education in the Saar territory. "This letter", says the report of the Council, "has presented facts as to actual present conditions which should remove mis-understanding, and doubt, on the part of the German Government" (2).

d) *Consent on concerning double taxation* — On the 2nd July, 1922, the Saar Governing Commission concluded a convention with the French Government, the purpose of which was to avoid double taxation. The German Government in a letter of January 19, 1923, had raised objections against the use in the Convention of expressions such as "the Saar" and the "Saar Government" which in its opinion gave the Saar territory the appearance of an autonomous state on the same footing, from the legal point of view, as the other contracting party, namely, France. The Council held that these expressions could not affect or modify the constitution of the territory or the position of the Governing Commission as laid down in the Treaty of Versailles.

e) *The Frantz case* (3) — Since the President of the Governing Commission had reported to the Council that M. Frantzen would not resume his post under the Governing Commission, the Council was of opinion that it was not necessary to examine further into this question.

f) *Telegram of the German minister for transport to the Saar railway board* (4) — In a letter dated April 1st the German Government had explained that a telegram as to the attitude that the railway workers must observe in consequence of the

(1) See Monthly Summary No. 3 p. 62.

(2) See Monthly Summary, No. 3 p. 64.

(3) See Monthly Summary No. 3 p. 64.

(4) See Monthly Summary No. 3 p. 64.

occupation of the Ruhr had been addressed to the Saar railway administration owing to a regrettable error by a subordinate official. As a proof of this mistake the German Government stated that it was clear from the telegram itself that it was only intended to be sent to the occupied territories.

M. Hanotaux stated that he felt compelled to point out that other mistakes of the same kind had previously occurred and expressed the desire that they should not be repeated in future.

g) *Measures of preparation for the plebiscite* — The Council approved with certain minor modifications the draft decree presented by M. Bonzon, provisional Records Commissioner, as to the measures to be taken to preserve such documents as were of importance for the future plebiscite in the Saar. The draft decree enumerates the documents to be specially safeguarded by the League of Nations. It explains measures to be taken for preserving these documents, the rules as to the authorities and persons responsible for them, the places where they should be preserved, the methods to be followed in order to avoid danger of destruction or deterioration, the penalties to be inflicted in case these documents be destroyed or damaged through bad faith or negligence, and so forth. The decree likewise provides that a list should be framed of all existing documents, with all necessary information as to where and in what way each particular document is being preserved. The decree stipulates that this list should be kept up to date and a copy preserved in the Secretariat of the League. The Council instructed the Secretary General to communicate the draft decree to the President of the Governing Commission, with a request that he should promulgate it in the Saar territory as soon as possible. The provisional Records Commissioner was instructed to attend personally to the execution of the draft decree and to submit a final report to the Council.

h) *Commercial relations between the Saar territory and Germany* — The Council took note of the information communicated to it by the President of the Governing Commission and of a note of the German Government concerning commercial relations between the Saar and occupied Germany. This correspondence relates to the situation created by the recent decisions of the Inter Allied Rhineland Commission with regard to the customs régime in the occupied territory as well as to the measures taken as a result of these decisions by the Saar Governing Commission and the German Government. The Council expressed the hope that the direct negotiations now proceeding on this subject will settle the questions still outstanding.

i) *Provisional decree of March 7, 1935, on the Saar Governing Commission for the preservation of public order and security* — At the 24th Council meeting the Swedish member, M. Branting raised the question of the decree recently issued by the Saar Governing Commission. This decree, he pointed out, had been issued without consultation with the representatives of the population and against the wishes of the great majority; he added that his long experience and knowledge of the mass of the people made him believe that severe measures restricting the freedom of speech and press were calculated rather to aggravate than to allay popular tension.

The President of the Governing Commission, M. Rault, gave a detailed explanation of the scope of the decree, of its provisional nature and of the urgent reasons for issuing it. The prolongation of a strike which had broken out in spite of the efforts of the Commission and the political character of which was becoming ever more marked, a press campaign which attacked not only the state of things established in the Saar by the Peace Treaty but also the Council and the Governing Commission, the activities of secret societies, the danger of disturbances—these were the reasons which, explained M. Rault, had led the Commission to issue the decree. M. Rault added that the decree had been approved in principle by the *Comité d'Études*, that it was at present before the Saar Consultative Council, and that its legality had been recognised by the Haute Cour Administrative.

The British representative, Mr. Wood, stated that frankness to the Council compelled him to declare that he viewed the decree with some little misgiving. While fully recognising the gravity of the situation, the necessity for assuring the maintenance of public order and the free exploitation of the French State mines in accordance with the Treaty of Versailles, he wondered whether the measures promulgated by the decree would have the desired results. He feared they might result in inflaming rather than in allaying public sentiment, and thus in rendering more difficult the task of the Governing Commission. He joined with M. Branting in expressing the hope that the Commission would soon be able to end the strike and to withdraw the decree.

M. Hanotaux pointed out that the strike, which had been economic in its origin had assumed a more and more markedly political character, he considered the reasons advanced by M. Rault made it sufficiently clear that the measures taken by the Commission were wise since they had resulted hitherto in preventing any further complications.

The President of the Commission, M. Rault, declared that the withdrawal of the decree depended on the disappearance of the exceptional circumstances that had made it necessary, and that the situation on the whole tended to get worse, he furthermore assured the Council that the decree would be applied in a spirit of moderation.

1) *The resignation of Dr. Hector and the appointment of his successor* — The Council accepted the resignation of Dr. Hector, the Saar member of the Governing Commission, and decided by eight votes and two abstentions (Great Britain and Sweden) to appoint as his successor—until the end of the term of the other members of the Governing Commission (February 13, 1924)—M. Land, former councillor of Searlous, who had hitherto been acting as vice member of the Commission.

4. MANDATES

National Status of Inhabitants of Territories under

Mandates B and C.

The question of the national status of inhabitants of the territories under Mandates B and C, namely, former German colonies in Africa and the Pacific was definitely regulated in the Treaty of Versailles by the Council. The question has been under consideration for a long time, as it affects not only the status of the native inhabitants but also the nationality of the colonists of European origin, especially of the 7,000 German colonists in former German South West Africa.

In order to determine the general principles of the question the Council adopted on April 23rd the following Resolution:—

1) The status of the native inhabitants of a mandated territory is distinct from that of the nationals of the Mandatory Power and cannot be identified therewith by any process having general application.

2) The native inhabitants of a mandated territory are not invested with the nationality of the Mandatory Power by reason of the protection extended to them.

3) It is not inconsistent with 1) and 2) above that individual inhabitants of the territory should voluntarily obtain naturalisation from the Mandatory Power, in accordance with arrangements which it is open to such Power to make with this object under its own law.

4) It is desirable that native inhabitants who receive the protection of the Mandatory Power, should in each case be designated by some form of descriptive title which will specify their status under the Mandate.

With regard to the 7,000 German colonists in German South West Africa, the

representative for South Africa, Sir Edgar Walton, pointed out that it was practically impossible to govern the territory under mandate unless South Africa were permitted to place these 7,000 individuals and the 10,000 British colonists living there on the same footing and to give them an equal share in the political life of the country. He pointed out that though under Article 2^a of the Treaty of Versailles permission might have been refused these colonists to continue to live in this territory, the South African Government would like the Council's approval for its plan for their collective naturalisation, it being understood that any individual so desiring would have the right to decline South African nationality without suffering any consequent embarrassment.

The Council agreed that the case of these German colonists was of a special nature and called for separate treatment. It accordingly took note of the South African proposal and passed a resolution that it saw no objection thereto.

Mr Branting (Sweden), however, declared that, while acknowledging the weight of the practical reasons brought forward by the representative for South Africa, he was unable to approve the action proposed by the South African Government, since it appeared to him to be incompatible with the fact that the Mandatory Powers have not full sovereignty over the territories entrusted to their care by the League of Nations. Mr Azevedo (Japan) abstained from voting, taking instructions from his Government. Mr Salandra (Italy) accepted the resolution, without, however, opposing Mr Branting's declaration and, holding the case of South Africa to be exceptional, without prejudice to the question whether mandatory legislation concerns only the native inhabitants or also those of other origin. M. Hanotaux (France), M. Hymans (Belgium), Mr Guani (Uruguay), Mr da Gama (Brazil) and Mr Quiroga de Leon (Spain) declared their vote in favour of the resolution and in agreement with Mr Salandra's statement.

The South African representative, Sir Edgar Walton, assured the Council that the manner in which the South African Government would fulfil its obligations would justify the confidence that had been shown.

VI — Protection of Minorities

I THE GERMAN MINORITY IN POLAND

On April 17th at the request of the Polish Government, the Council defined the exact scope and meaning of paragraph (b) of its Resolution of February 23d, 1923, in which it asked the Permanent Court of International Justice for an advisory opinion on certain points concerning the question of the German minority in Poland (1).

The paragraph reads as follows —

"(b) The Polish authorities will not recognise leases granted before November 11th, 1918, by the German Government to German nationals who have since become Polish nationals. The leases in question refer to holdings formerly in the possession of the German State and ceded to the Polish State under the Treaty of Versailles, in particular Article 256."

The Council agreed that this paragraph referred exclusively to a special class of former colonists, namely, those who occupy holdings in virtue of leases signed before the Armistice and for a period that has not yet expired, and who, since the Armistice, have obtained amortisation contracts (*Rentengutsverträge*) for these holdings.

(1) See Monthly Summary, for February, 1924, p. 2.

The Council decided to inform the Polish Government and the Permanent Court of International Justice of its conclusions on the subject

2. MINORITIES IN LATVIA ⁽¹⁾

At its meeting of April 17th, the Council, in view of the fact that the negotiations with the Latvian representative regarding his Government's declaration on the protection of minorities had not yet assumed a sufficiently definite character, decided to adjourn the question to the next session

VII — Political Questions

I. EXPROPRIATION OF HUNGARIAN PROPERTY IN ROUMANIA

The Council had before it a request from the Hungarian Government concerning the expropriation by the Roumanian Government of real property belonging to persons opting for Hungarian citizenship, that is to say, persons who were natives of the territories ceded by the Treaty of Trianon to Roumania, but who have chosen to remain Hungarian subjects

The Hungarian Government's request was based on Article XI of the Covenant, which declares it to be "the friendly right of each member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends"

At a public session of the Council, the representatives of Hungary, M. Lukacs, Deputy, former Minister of Education, and M. Gayzago, Councillor of Legation, and the Roumanian representative, M. Titulesco, Minister in London stated the points of view of their respective Governments

The Hungarian Government considers that the legislative provisions concerning agrarian reform in Transylvania do not take account of the provision contained in Article 63 of the Treaty of Trianon, by virtue of which persons who have opted for Hungarian nationality are free to retain the real property which they possess in Roumanian territory. The Hungarian Government does not contest the right of the Roumanian Government to carry out general agrarian reform, but it considers that certain stipulations of the agrarian legislation go beyond reforms compatible with Roumanian international obligations

The representative of Roumania declared that the programme of agrarian reform in Roumania dated from before the war and that despite the very considerable inconveniences which the execution of this reform had caused to those concerned, the legislative provisions had always had only one aim, namely, a social reform carried out on a basis of perfect equality to all elements of the population of Roumania. Regarding the provisions of the agrarian reform specially applicable to Transylvania these took account of the facts of the situation and were not directed against Hungarian property owners in Transylvania any more than against other inhabitants of that territory. In the opinion of the representative of Roumania, the provisions of the Roumanian agrarian law are in no way contrary to the provisions of the Treaties which indicate solely that a person remains the owner of property within the property system such as it is organised by the laws of the sovereign State.

The Rapporteur of the Council, M. Adamec, suggested to the two Governments that they should submit the question to the decision of the Permanent Court of

(1) *See* Vol. VI, Summary, February, 1933, p. 1

International Justice, or, alternatively, that the Council should ask for an advisory opinion from the Court. The Roumanian representative declared that the interests of his country prevented him from accepting either of these suggestions, which had been accepted by Hungary.

After a discussion in which several Members of the Council took part, a resolution, prepared by the President, Mr. Wood, M. Salandra and M. Hanotaux, was unanimously adopted by the Council. In this resolution the Council, regretting that it did not see the prospect of agreement in the near future and that it was not able to put forward proposals for an immediate solution, adjourned the question to its next session but expressed the hope that M. Adami would continue to act as Rapporteur and that meanwhile, the two Governments would make every effort to come to an agreement.

2. ALBANIA

a) *Appointment of a financial adviser* — The Council, on the advice of the Financial Committee and with the agreement of the Albanian Government, appointed Mr. J. D. Hunger, lately Administrator of Batavia in the Dutch East Indies, as financial adviser to Albania. Mr. Hunger was for twenty nine years in the Dutch Colonial Service, during the last three of which he was Resident of Batavia.

The Albanian Government, in its desire to develop the country, had asked the Council to take this step in accordance with the resolution passed in 1921 by the Council and the Assembly to the effect that the League would consider requests made to it by States wishing to obtain the services of technical advisers. Albania is one of the first countries to avail itself of this new procedure.

M. Hunger, whose contract is for five years, is to report quarterly to the League.

b) *Reports of the Commission of Enquiry* — The final reports of the Commission of Enquiry sent by the Council to Albania at the request of the Albanian Government, were submitted to the Council, which passed a resolution thanking the Members, Professor Sederholm and Count Moltke, for their services and expressing the hope that these valuable reports would be carefully studied.

The reports dealt in general with the external and internal situation of Albania and declared that the essential task of the economic development of the country, difficult though it was, was not beyond the ability of the Albanian people. It had been their unfortunate fate never to have been able to show their qualities in their homeland, but the chance had now come. Albania was a sovereign, independent State for the first time at peace with her neighbours and a Member of the League of Nations, but it was essential for her to put her house in order. She had the opportunity to obtain the services of disinterested and capable advisers and her future lay in the intelligent use by her people of experienced experts in administrative, educational, and economic affairs. The Albanian Government had repeatedly expressed its desire to obtain the services of a financial adviser nominated by the League to assist it in initiating reforms. It had also decided to appoint other foreign experts for various public services.

As regards the economic situation, the Commission considered that the resources of Albania, especially its rich soil suited, amongst other things, to the production of the best qualities of cigarette tobacco, should if properly developed ensure to the country a prosperous future. The Commission outlined some of the reforms needed in the administration of the country and recommended that the Government should make the most whole-hearted use of the foreign expert advisers it is obtaining from abroad.

3. POLAND AND LITHUANIA

On April 21st, at a public meeting, the Council heard an account given by M. Hymans (Belgium) of certain incidents in connection with the execution of the

Council's recommendation of February 3rd to substitute a provisional line of demarcation for the existing neutral zone in the Vidna district and also involving the conciliatory action taken by the Council at that time (1)

M. Hymans recalled the decision reached on March 13th by the Conference of Ambassadors, which determined the political frontiers of Poland (2) "Thus", he said, "the question dealt with by the Council at its last session has now become part of the history of this dispute which has so long occupied the attention of the Council without whose efforts during the last two years it might have developed into actual war."

M. Galvanauskas, representative for Lithuania, then declared that there was a contradiction between the decision taken by the Council on January 13th, 1922, wherein the Council had declared that it would not recognise a solution of the Polish Lithuanian dispute reached without the consent of both interested parties and the decision of the Conference of Ambassadors, against which Lithuania had protested. He asked how the Council, in those circumstances, could reconcile its decision of January 13th, 1922, with the recent decision of the Conference of Ambassadors.

M. Hymans drew attention to the fact that the Council was not called upon to give its opinion on the decision taken by the Conference of Ambassadors. What the Council's decision of January 13th, 1922, meant was that the Council could not recognise a one-sided solution reached without the consent of both parties, and not that it would refuse to accept the decision of a tribunal whose competence had been recognised by both parties. Since Lithuania, although not a signatory of the Treaty of Versailles, had on several occasions appealed to the Conference of Ambassadors in virtue of Article 87 of the Treaty she had clearly indicated to the Council of the League that she recognised the competence of the Conference of Ambassadors. At the same time Poland, a signatory to the Treaty, also recognised the competence of the Conference of Ambassadors. Both parties had therefore admitted its competence.

With regard to the request of the Lithuanian Government that the Council should ask the opinion of the Permanent Court of International Justice on the legality of the Council's recommendation of February 3rd, 1922, the Council decided, on hearing M. Hymans' report on the subject, that there was no need to accede to this request, since the competence of the Council in this respect was incontestable and the procedure proposed by the Lithuanian Government appeared to be incompatible with the constitution of the League of Nations.

M. Galvanauskas, representative for Lithuania, informed the Council that his Government did not desire to submit the question of the frontier between Poland and Lithuania to the Permanent Court of International Justice. As emblematic of the question of the tracing of the frontier between Poland and Lithuania and its request for an advisory opinion by the Permanent Court of International Justice.

4. THE BULGARIAN INHABITANTS OF WESTERN THRACE

The Bulgarian Government recently drew the attention of the Council, under Article IX of the Covenant, to its belief that the Bulgarian inhabitants of Western Thrace were being subjected by the Greek authorities to a regime of oppression and deportation. As, in its opinion, this situation threatened the good relations prevailing between the two countries, it requested the Council to consider ways and means of remedying it.

At a public meeting on April 19th, M. Theodoroff, Bulgarian minister at Belgrade, and M. Carliamanos, Greek minister in London, explained the points of view of their Governments. The following day the Swedish representative reported

(1) See Vol. I of the Summary for March 20, p. 60.

(2) See Vol. I of the Summary for March 19, p. 60.

to the Council that Western Thrace is still under the jurisdiction of the Principal Allied Powers to whom it was attributed by the Treaty of Neuilly, and that it is at present occupied in their name by Greece, as the Treaty of Sevres, the first article of which entrusts the sovereignty of the territory to Greece, has not yet been ratified.

The Council decided, therefore, to communicate to the Principal Allied Powers the documents and minutes relative to the debates on this subject, calling their attention to the circumstances which had given rise to them, and expressing the hope that it would be possible at an early date to decide juridically the future of Western Thrace and of its inhabitants, especially its minorities.

Moreover, as the question has been brought before the Council under Article XI of the Covenant as one threatening to disturb international relations, the Council decided to request the Governments to keep it informed of any future action in the matter and noted the declaration made by the Greek representative that the Bulgarian inhabitants of Western Thrace who had been deported would be authorised to return to their homes as soon as the causes which gave rise to this exceptional measure had disappeared, a state of affairs which, it was hoped, would shortly prevail.

Finally, the Council requested Dr. Nansen, the League High Commissioner for Refugees, to do his utmost to improve the conditions of persons expelled from Western Thrace, and asked the Greek Government to assist by all means in its power.

5. CONTROL OF THE OBSERVANCE BY BULGARIA OF THE MILITARY, NAVAL AND AIR CLAUSES OF THE TREATY OF NEUILLY

At the request of the Bulgarian Government the Council considered the question of the control of the observance by Bulgaria of the military, naval and air clauses of the Treaty of Neuilly.

The Conference of Ambassadors, on December 6th, 1922, informed the Bulgarian Government that the Allied Governments held it desirable to create a Military and Air Committee, whose sphere of operations would include Bulgaria, Austria and Hungary, and whose expenses would be paid by the Principal Allied Powers. The Committee would be substituted for the present organisations of control, should the Powers concerned agree to its creation. The Conference of Ambassadors also stated that, should the reply of the Bulgarian Government be unfavourable or even delayed, it would be forced to maintain the present organisation of liquidation (which has taken the place of the Inter Allied Military Control Committee) until the military clauses of the Treaty of Neuilly had been completely executed.

The Bulgarian Government, in a letter to the Secretary General of the League dated March 17th, 1923, declared that Bulgaria had now carried out all her military, naval and air obligations under the Treaty. The Government was of opinion that the period of provisional control, provided for by the Treaty to ensure the execution of the military, naval and air clauses within a prescribed time limit, had come to an end, and that the creation of a new organisation, as proposed by the Conference of Ambassadors, would be superfluous. The Bulgarian Government therefore requested that Article 104 of the Treaty of Neuilly, which provided that the control of the observance by Bulgaria of the military, naval and air clauses may be entrusted to the Council of the League, should be put into force.

The Conference of Ambassadors, on the other hand, informed the Council that it did not consider that the military, naval and air clauses of the Treaty of Neuilly had been completely carried out, and that, moreover, the Allied Powers, on March 15th, 1923, had been obliged to call the attention of the Bulgarian Govern-

ment to certain intrigues which it tolerated within its territory, and which constituted serious infringements of the Peace Treaty.

After hearing the Bulgarian representative, General Norloff, the Council at its meeting of April 23rd, expressed the opinion that this question concerned the Conference of Ambassadors, to which the Bulgarian Government should present any observations it considered useful. When an agreement was reached it would be open, either for the Bulgarian Government or for the Conference of Ambassadors to request the Council to apply Article 104 of the Treaty.

6 THE FRONTIER BETWEEN HUNGARY AND CZECHOSLOVAKIA

The Council, at its meeting of April 23rd, announced its arbitral decision regarding the delimitation of the frontier between Hungary and Czechoslovakia in the mining district of Salgotarjan.

The frontier laid down by the Council leaves the mines and two villages inhabited by Magyars in Hungarian territory, giving Czechoslovakia the heights which the Peace Treaty, apparently for reasons of national security, had attributed to this State. The Czechoslovak Government will have the right to use the railway station of Somosújfalú as a frontier and customs station, the Hungarian Government granting all possible facilities in connection therewith. The Czechoslovak Government, on the other hand, will do all in its power to facilitate the exploitation of the basalt quarry north of the village of Somosó and the transport of its yield to the station of Somosújfalú.

Before coming to a decision, the Council heard its rapporteur M. da Gama (Brazil), who explained the main aspects of the problem: the ethnological question, the coal mines, the quarries, the forests, problems of agriculture, labour and railways, particularly emphasising the fact that the Council, in its decision, would have to consider both the local interests of the inhabitants of the disputed territory and the national interests of the States concerned.

The Council also heard the Hungarian representative, General Tanczos, and the Czechoslovak representative, M. Osusha, and consulted the Permanent Adviser, Committee on Military, Naval and Air Questions on the strategic questions which might be raised in connection with the geographical character of the district which is crossed from north to south by a railway.

7 EASTERN CARELIA

As the result of a study made since its last session concerning the question of Eastern Carelia, the Council decided at its meeting of April 21st to request the Permanent Court of International Justice for an advisory opinion on the following question placed before the Council by the Finnish Government:

"Do Articles X and XI of the Treaty of Peace between Finland and Russia signed at Dorpat on October 14th 1920 and the annexed Declaration of the Russian Delegation regarding the autonomy of Eastern Carelia constitute obligations of an international character which bind Russia in her relations with Finland, to carry out the provisions contained therein?"

The report submitted to the Council stated that the Finnish Government desires a ruling from the Court as to the extent to which it is legally entitled to continue the discussion with the Soviet Government on the situation of Eastern Carelia as defined by the Treaty of Dorpat. The report brought out that there could hardly be any doubt that the Council had the right to refer this question to the Court, as it is the duty of the League to help its members to maintain good rela-

tions with their neighbours and to facilitate the peaceful settlement of disputes. As Soviet Russia is neither a member of the League nor of the Court, she would not of course be bound by a decision of the Court, nor should Finland, as a result of its reference to the Court, expect further action by the Council.

Nevertheless, the report added, the Court's opinion might be of great assistance in clearing up certain legal points and, consequently, in increasing the chances of reaching a satisfactory solution of the difference. Should the Court decide in favour of Russia, Finland would know that she had no right in international law to continue the discussion with Russia, should the Court decide in favour of Finland, it is not impossible that Soviet Russia would recognise the authoritative opinion expressed by the highest legal tribunal.

The Council ruled that it was for the Court itself to decide if it thinks it should ask for fuller information or for the opinion of experts regarding the Soviet Government's case. In these circumstances the special situation of the Soviet Government does not seem to raise any particular difficulties which would prevent a request for the Court's opinion on the question of Eastern Carelia.

§ MIXED ARBITRAL TRIBUNALS

At the request of the Belgian Government, the Council at its meeting of April 23rd, appointed a certain number of jurists, nationals of Powers that remained neutral during the war, to sit, if necessary, as deputy members on the Belgo German, Belgo Austrian, Belgo Bulgarian and Belgo Hungarian mixed arbitral tribunals.

The request of the Belgian Government is based on, and is made with a view to giving effect to, Article 304 of the Treaty of Versailles and corresponding articles of the Treaties of St. Germain, Neuilly, and Trianon, the execution of which has so far been deferred.

The jurists selected are

1 *Belgo German Mixed Arbitral Tribunal*

- a) Count Mörner, judge at the Court of Appeal, Stockholm (Swedish),
- b) M. Domingo de los Rios, barrister, Madrid (Spanish),

2 *Belgo Austrian Mixed Arbitral Tribunal*

- a) Dr. Erland Tybaerg, judge at the Supreme Court (Danish),
- b) Dr. K. Jansma, doctor of laws, Court of Appeal, Amsterdam (Dutch).

3 *Belgo Hungarian Mixed Arbitral Tribunal*

- a) Dr. Frantz Dahl, University professor, formerly secretary to the Council of State (Danish),
- b) M. Larreta, formerly Minister of Foreign Affairs, Buenos Ayres (Argentine).

4 *Belgo Bulgarian Mixed Arbitral Tribunal*

- a) M. Nyholm, judge at the Permanent Court of International Justice, member of the Permanent Court of Arbitration, the Hague (Danish),
- b) M. Alvarez, member of the Permanent Court of Arbitration, The Hague (Chilian).

VIII — Social and Humanitarian Questions

I REFUGEES

a) *Russian Refugees*

The Advisory Committee of Private Relief Organisations for Russian Refugees met on April 20th at Geneva with Dr Nansen in the chair. This Committee, it will be remembered, was originally an organisation of the representative of the Red Cross Societies and the International Committee of the Red Cross, created to co-ordinate the efforts made on behalf of Russian Refugees and to enable the two organisations to take joint action if necessary. When the High Commissariat was definitely organised it was felt that the help of the international organisations was essential and, as a result, their committee was kept in close touch with the High Commissariat under the name of the Advisory Committee.

At the meeting just held, the Red Cross Societies, the Near East Relief, the Y. M. C. A., the Russian organisations and the Jewish Colonisation Association, the European Student Relief and the Save the Children Fund were represented. A delegate of the Free City of Danzig and a representative of the Polish delegation also attended.

In his report, Dr Nansen described the work accomplished by his organisation in various countries and, in particular at Constantinople, emphasising the serious situation of Russian refugees in the Far East and of Jewish refugees of Russian nationality in Roumania and Poland. He further made a statement regarding the negotiations between his representatives and those of the Soviet Government in view of the repatriation of refugees desirous of returning to Russia.

The Committee examined the situation of Russian student refugees in Poland, Roumania and other Central European countries and voted a resolution requesting the High Commissioner to appeal for private aid to enable such students to complete their studies. Various other resolutions were adopted, mainly regarding the extension of the activity of the High Commissioner to the Far East and the representation of the High Commissariat in countries interested in the refugee problem.

The Committee also requested the High Commissioner to open negotiations with the Ukrainian and Russian Governments with a view to ensuring the protection of refugees who wished to be sent home, to continue to supervise the evacuation of Russian refugees in Constantinople and to follow closely the question of Russian students in Eastern Europe. It also expressed the wish that the Jewish relief organisations cooperating with the High Commissioner's representatives in Poland might be authorised to deliver identity papers to political refugees.

b) *Asia Minor Refugees*

The possibilities of a wider relief plan than has yet been attempted on behalf of the Asia Minor refugees in Greece was considered by the Council at its meeting of April 23rd when Dr Nansen reported on the work so far done.

Dr Nansen reported that the deputy High Commissioner, Colonel Proctor, thanks to the valuable aid of the British, French, Greek and Polish Governments, the British Red Cross, the All British Appeal and money subscribed in Norway, had been able to organise feeding stations and settlements in Western Thrace. The development of these settlements for over 10,000 refugees within the past six months showed how the problem of refugees might be approached on a much larger scale.

The purpose had been not to afford temporary relief, but to convert indiscriminate groups of refugees living in tents, stables and barracks into organised communities engaged in productive labour. As a result of what had here been attempted on a limited scale, the provisional camp settlements had become definitely established and solidly built villages with a self supporting population engaged in occupations such as farming, charcoal burning, brick making and weaving.

Dr Nansen stated, however, that this relief, promising as it was as an experiment, had been extended to only a comparatively small number of refugees. The funds placed at his disposal were exhausted and grants from relief organisations were being received less frequently. At the same time, Dr Nansen called attention to the recent statement by the Secretary of State of the United States that unless a much larger and more comprehensive plan for relief were adopted, the American agencies, which have done such effective work in Greece, would have to be withdrawn by June 30th.

The Council, in considering Dr Nansen's report and especially his suggestion for a broader relief plan, had also to keep in mind the proposal made at its last session by the Greek Government for the flotation of an international loan on the basis of securities offered by that Government. This question the Council had at the time referred to the Financial Committee, for which the Greek Government is at present engaged in collecting the necessary financial data.

In view of these facts and in view of the desirability of saving as much time as possible, the Council decided to request the High Commissioner, in consultation with the Greek Government, to consider whether, should a large loan prove practicable, it would be possible to replace the temporary relief measures which, except in part of Western Thrace, have hitherto alone been undertaken, by a general plan enabling refugees in other parts of Greece to be settled on the land or otherwise established on a self supporting basis, and, if so, to prepare a scheme for the purpose.

A Sub Committee, consisting of the British, French, and Italian members of the Council, with authority to invite the Greek Government to appoint a fourth member, was appointed to receive the reports of the Financial Committee and the High Commissioner and advise the Council as regards any possible further action should such seem wise.

2 TRAFFIC IN WOMEN AND CHILDREN

At a public meeting held on April 19th, the Council approved the Report of the second session of the Advisory Committee on Traffic in Women and Children (1).

At the suggestion of the Committee, the Council instructed the Secretariat to prepare a summary of the Annual Reports received from Governments and a digest of the national laws and regulations relative to the traffic, this information to be distributed to the Members of the League. It also agreed to the proposal that information should be obtained, in collaboration with the International Labour Office, on the protection of women emigrants in connection with the traffic.

The Council decided to inform the Governments of two recommendations approved by the Committee: first, that women as well as men should be employed in natural police forces; second, that it should be made illegal to employ foreign women in any capacity in licensed houses. Moreover, recognising the possible connection between a system of licensed houses and the traffic in women and children, the Council decided that a questionnaire should be issued on the subject to the Members of the League, that those States which had abandoned the system should be asked to give the reasons which had led them to adopt that measure, in so far as it affected the traffic in women, and that those States in which the system

still proposed should be allowed to inform the Council whether such a system in its practical operation appeared to facilitate or hinder the traffic.

As a result of the proposal made by the United States representative on the Advisory Committee, the Council agreed to appoint experts to undertake an international investigation of the conditions under which the traffic in women and children is carried on. It therefore instructed the Secretary General to submit to the Members of the Council, three weeks before the next session, the names of suitable experts who might be invited to make a general enquiry in collaboration with the Governments concerned.

With regard to the question of publicity, the Council noted the importance of enlisted general interest in the purpose of the Committee and declared that the latter had full right to decide whether its meetings were to be held in public or not.

IX — Forthcoming Events

May 26th	Sixth session of the Health Committee, Paris
May 28th	Session of the Advisory Committee on Traffic in Opium, Geneva
May 31st	Meeting of the Allocation Committee, Geneva
June 4th	Plenary session of the Temporary Mixed Commission for the Reduction of Armaments, Geneva
June 10th	Meeting of the Committee of Statistical Experts, The Hague
June 12th	Nineteenth session of the Governing Body of the International Labour Office, Geneva.
June 15th	Annual meeting of the Permanent Court of International Justice, The Hague
June 25th	Twenty-fifth session of the Council of the League, Geneva
July 20th	Meeting of the Permanent Mandates Commission, Geneva
September 3rd	Fourth Assembly of the League of Nations, Geneva.
October 15th	International Customs Conference, Geneva
October 22nd	Fifth session of the International Labour Conference, Geneva

Official Journal of the League of Nations, No 5

The May number of the *Official Journal*, which has just been published, contains several important documents, among which may be specially mentioned the text of the proposals submitted by the Polish Government regarding the procedure in connection with Minority petitions, a historical summary of the question of the Polish Lithuanian neutral zones, three reports of the Commission of Enquiry in Albania, and the third report by the Commissioner General of the League of Nations at Vienna.

THE
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Vol III No 6

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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

JUNE 1925

Vol III No 6

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I — Summary of the Month

One of the principal events of June was the opening on the 15th of the third ordinary session of the Permanent Court of International Justice. During the month also the Temporary Mixed Commission for the Reduction of Armaments, the Financial Committee, a Committee of Government Experts on double taxation and flight of capital, a Committee of Statistical Experts and the Health Committee also held meetings.

The Permanent Court had before it three questions, concerning the status of Eastern Carpathian German Municipalities in Poland, and the S. S. Wismulden case. For

the present session, the Court is composed of ten regular judges, one deputy judge of Chinese nationality, M. Wang who is acting for the first time in that capacity, and a German national judge, Professor Schucking, who is sitting in the *S. S. Wimbledon* case.

The Temporary Mixed Commission for the Reduction of Armaments had mainly to consider at its June session the question of a mutual guarantee scheme. In addition to the draft general treaty of mutual guarantee presented by Lord Robert Cecil as a general scheme of mutual aid drawn up by Lieut. Colonel Requin.

A Committee composed of senior officials of the Inland Revenue Departments of seven countries took the first steps in the investigation, from a practical point of view, of the problems of double taxation and flight of capital which had already been dealt with in March in their theoretical aspects by a Committee of Economists.

The question of a loan, to be issued by the Greek Government in aid of its million refugees came before the Financial Committee at its June meeting. A representative of the United States Department of State attended the meeting in a consultative capacity.

Important progress in the co-ordination of the work of the League Health Organisation with that of the Office International d'Hygiène Publique was made at the meeting of the Health Committee, and the liaison with the Pan American Sanitary Bureau at Washington was also studied.

In the political field two questions on the subject of which the Council had made certain recommendations are nearing settlement. These are the question of the Bulgarian Deportees from Western Thrace, which came before the Council in April last and that of the incursions of marauding bands in the frontier zones of States bordering on Bulgaria. The latter question was first brought to the Council's notice in July 1922, and has been resolved by the setting up of special mixed commissions to deal with points relative thereto.

The Saar Governing Commission has forwarded to the Secretary General its fourteenth general report which covers a period of five and a half months and deals mainly with the miners' strike and the introduction of the French franc as the sole legal currency in the Territory.

During the month the Secretary General, in response to invitations from the Polish and Czechoslovak Governments, paid visits to Warsaw and Prague, stopping on his way at Danzig and Vienna.

II — Permanent Court of International Justice

[Third Ordinary Session.]

The third ordinary session of the Permanent Court of International Justice was opened at the Peace Palace at the Hague on June 15th, the date fixed by statute for the annual session of the Court.

The three cases before the Court were examined in the following order: 1) certain questions relating to the status of Eastern Carolia, 2) the *S. S. Wimbledon*, 3) the status of certain classes of German colonists in Poland.

The Court was composed as follows:

Dr. Loder, President	Dutch
M. André Weiss, Vice President	French
Lord Finlay	British
M. Nyholm	Danish
Mr. J. Bassett Moore	American
M. A. S. de Bastarache	Cuban
M. R. Altamira	Spanish

M Yoroku Oda	Japanese
M An Hotti	Italian
M Max Huber	Swiss
M Wang Chang Hui	Chinese
(Deputy Judge for M Ruy Barboza, deceased)	
Professor Schucking (German) sat in the S S Wimbledon case	

1 — DEATH OF JUDGE BARBOZA — TUNISIAN AND MOROCCAN NATIONALITY DECREES

At the first public sitting, which was held on June 18th, the President paid homage to the memory of Judge Ruy Barboza, recalling his endeavours in the cause of international law and the establishment of a permanent court of justice. "If it were necessary", said Dr Loder, "to find words characterizing the spirit and the work of Ruy Barboza, words that might have been his motto and that should be a motto for us all, we have only to quote a passage of one of his works: *La justice seule est efficace, ce qu'elle engendre est tout durable*". *Speaking in of No. 4 Judge*. At this Session also, Mr Wang (Chinese), who is sitting for the first time as Deputy Judge, and Professor Schucking (German) who is sitting as a national judge in the case of the S S Wimbledon, made the solemn declaration required by the Court Statute that they would exercise their powers and duties impartially and conscientiously.

Nationality Decrees in Tunis and Morocco — The President on behalf of the Court, placed on record the agreement concluded on May 24th by the British and French Governments, and notified to the Court, regarding the dispute which had arisen in connection with the nationality decrees promulgated in Tunis and Morocco on November 8th, 1922, concerning certain aspects of which the Court had previously given an advisory opinion. The amicable arrangement concluded by the Parties is contained in an exchange of notes between the British Secretary of State for Foreign Affairs and the French Ambassador in London.

Under this agreement, the French Government before January 1st, 1923, will take measures, whereby Tunis born children of British subjects themselves born in the Protectorate shall be entitled to decline French nationality, it being understood that this right will not extend to succeeding generations.

The question of similar nationality decrees in Morocco and their application to British subjects does not call for immediate action as these decrees do not entail for the moment any practical consequences. The two Governments have decided to maintain their respective positions whilst reserving all their right.

This question first came before the Court in the autumn of 1922, when the Council asked for an advisory opinion as to whether or not this dispute was by international law solely a matter of domestic concern. At a special session held on February 15th, 1923, the Court decided that the question at issue did not solely fall within the domestic jurisdiction of France.

On the day on which the opinion was read, the French agent, referring to an agreement previously concluded between the two Governments, requested the Court to place on record that his Government proposed to the British Government that the whole case should be submitted on its merits for decision by the Court. The amicable arrangement now concluded involves the abandonment of the proceedings instituted at the Court.

2 — QUESTIONS RELATIVE TO THE STATUS OF EASTERN CAELIA (Second and fourth public sittings)

The Council, in asking the opinion of the Court on certain provisions of the Dorpat Peace Treaty relative to the status of Eastern Caelia, requested it, in

forming its opinion, to take into consideration information which various countries concerned might furnish. Under the Rules of Procedure of the Court, Governments and International Organisations which may be able to furnish information on a question before the Court are notified that such question will be examined. On May 10th therefore, the Court notified the Russian Government that an advisory opinion on the Eastern Carelian question had been requested.

The Russian Government replied to the notice of the Court on June 11th by the following telegram, signed by the People's Commissary for Foreign Affairs, Tchitcherin:

The Russian Government finds it impossible to take any part in the proceedings without legal value either in substance or in form which the Permanent Court intends to institute as regards the Carelian question. Whereas the Workers' Commune of Carelia is an autonomous portion of the Russian Federation whereas its autonomy is based on the decree of the Pan Russian Central Executive Council, dated June 8th 1920 which was enacted before the examination of this question by the Russo-Finnish Peace Conference of Dorpat; furthermore, whereas the Treaty of Dorpat, in connection with another matter, refers to the autonomous territory of Carelia as already existing without imposing any obligation in this respect upon Russia; furthermore, whereas Berane, the President of the Russian Delegation at the meeting of October 14th 1920, brought to the fact that Carelia was autonomous to the knowledge of the Finnish Delegation solely for their information; furthermore, whereas in a Note dated December 5th, 1920 and addressed to the Finnish Charge d'affaires, Tchitcherin, the Commissary of the people protested categorically against the action taken by the Finnish Government in placing the Eastern Carelian question before the League of Nations, a course which in the view of the Russian Government constituted an act of hostility to the Russian Federation and an intervention in its domestic affairs, furthermore whereas in an official communication published on June 18th 1922 the Commissary of the People for Foreign Affairs declared that the Russian Government resolutely repudiated the intervention of the so-called League of Nations to intervene in the question of the internal situation of Carelia, and stated that any attempt on the part of any power to apply to Russia the article of the Covenant of the League relating to disputes between one of its Members and a non-participating state would be regarded by the Russian Government as an act of hostility to the Russian State, the Russian Government categorically refuses to take any part in the examination of this question by the League of Nations or by the Permanent Court.

Apart from considerations of law according to which the question of the status of Carelia is a matter of Russian domestic jurisdiction, the Soviet Government is compelled to affirm that it cannot consider the so-called League of Nations and the Permanent Court as impartial in this matter, having regard to the fact that the majority of the Powers belonging to the League of Nations have not yet acceded to the Soviet Government *de jure* recognition and several of them refuse even to enter into *de jure* relations with it.

This situation is further borne out by the fact that the Council of the League of Nations or the Powers which control it, represented by the Council of Ambassadors, have often taken decisions obviously directed against the most vital interests of the Soviet Republics and have done so without even asking the views of the Soviet Government. This occurred when the annexation of Bessarabia to Roumania was recognised by them and again when a regime was established at Memel which debarred Russia from any voice in the question of navigation on the Niemen or again when Eastern Galicia, the great majority of whose population is Ukrainian, was annexed to Poland. These are the reasons which render it quite impossible for the Russian Government to take any part in the discussion of the Carelian question before the Permanent Court.

Reply of the Finnish Government. — The Finnish Government had expressed the wish to furnish the Court with verbal information on the question at issue and appointed as representatives M. Rafael Erich, former Prime Minister of Finland and M. Yrjö Sastamoinen, Charge d'affaires at the Hague. The Court heard M. Erich at its public sittings on June 22nd and 26th.

At the sitting of June 22nd M. Erich stated that the question of the status of Eastern Carelia was a minorities' question and could not therefore, according

to the principles of international law prevailing at the present day, be regarded as falling within the exclusive competence of one State. Moreover, even if this contention were not admitted, the fact that the Finnish Government had concluded with the Russian Government the Treaty of Dorpat, which, by laying down certain principles regarding the status of Careli, endowed that status with the character of an international contractual undertaking binding on both Parties, would suffice to demonstrate the international nature of the Carelian question.

According to M. Erich, the declaration annexed to the Treaty which further defined the principles laid down therein, possessed the same contractual character. The validity of this contract could only be disputed by contending that Russia had not received *de jure* recognition, and could not therefore assume international obligations.

M. Erich, however, contended that this view could not be supported as the Soviet Government had taken part in several international conferences, had recently accepted an invitation from the Council to take part in a conference for the purpose of extending the application of the Washington Naval Treaty, and had been invited by the Council in January 1922, to make a statement before it. M. Erich considered that the importance of the opinion would extend beyond the scope of the question under examination, and would reside in the statement of the principle that Russia, like all other countries, was bound by contracts concluded by her with other countries.

On June 26th, M. Erich, at the request of the President, made a statement on the question of the competence of the Court in the case before it. M. Erich considered that the Court possessed competence for the following reasons:

Generally speaking, it might be contended that, as regard advisory opinions, the competence of the Court was defined by the Council. Further, the presentation of requests for advisory opinions constituted one of the means at the disposal of the League of assisting its Members by its organisations, and of facilitating the peaceful settlement of disputes.

The attitude of the Soviet Government, which, with the Finnish Government, was the principal Party in the case, could not be regarded as affecting the question of the competence of the Court.

The fact that Russia was not a Member of the League, and that it was not a Party to the Court Statute, was not in itself sufficient to prevent either the Council from requesting or the Court from giving an opinion in a case in which Russia was interested.

The Council, although it requested the Court, in forming its opinion, to take into consideration the information which the various countries concerned might present to it, had not, in so doing, imposed a condition, the non-fulfilment of which would prevent the Court from giving an opinion. Nor was the absence of Russia calculated to prevent the Court from giving its opinion for in the view of the Finnish Government, the Council had never invited Russia to comply with the conditions of Article XVII, of the Covenant, according to which, in the event of a dispute between a Member of the League and a non-Member, the latter should be invited to accept the obligations of membership for the purposes of the settlement of the dispute, upon such conditions as the Council might deem just.

3 — S. S. Wimbledon

(Third and Fifth Public Sitzings.)

Poland's request for permission to ship war material. — This case arose out of a refusal by Germany in March 1921 to allow the S. S. *Wimbledon* to pass through the Kiel Canal with war material on her way to Poland. The question which involves the interpretation of Article 280 of the Treaty of Versailles, has been brought before

the Court by the Principal Allied Powers. Notice of the forthcoming proceedings was duly given to all States Parties to the Treaty of Versailles.

Of these States only Poland has so far applied for permission to intervene in the proceedings.

The British Government had presented to the Court a written statement on this request. Further the Court heard on June 25th in public sitting statements by the Polish representative M. Ochojski and by the agents of the Allied Powers: M. Bredevant (France), Sir Cecil Hurst (Great Britain), M. Pilotti (Italy), M. Ito (Japan).

At its sitting of June 22nd the Court placed on record the application of the Polish Government for permission to intervene under Article 6, of the Court Statute according to which whenever the construction of a convention is in question every State which is a Party to the Convention has a right to intervene.

III — The Financial Reconstruction of Austria

On June 11th, the American block of 25 million dollars and the English block of 14 million pounds sterling of the Austrian long term loan of 650 million gold crowns were placed on the American and British markets respectively and over subscribed several times in a few hours.

The Dutch and Swedish blocks were issued in Stockholm and Amsterdam on June 12th and 13th and the issues on the other markets will take place shortly. On all these markets the prices now quoted for the loan securities are above the rate of 100.

The following tables give the nominal totals of the ten blocks into which the loan has been divided, the financial markets and the banks conducting the operation and the results so far obtained.

MARKETS	BANKS	AMOUNTS	DATE OF SUBSCRIPTION	RESULTS
London	Bank of England	£ 14 000 000	11 & 12 June	Several times oversubscribed
New York	J. P. Morgan & Co.	\$ 25 000 000	June 11th	"
Stockholm	Stockholms Enskilda Bank	kr 13 110 000	June 12th	"
Paris	Par. & F. C.	fr 20 000 000	June 13th	"
Brussels	Société Générale de Belgique	fr 25 000 000 (Belgian)	June 14th	No public subscription
Switzerland	Union financière de Genève	fr 5 000 000 (Swiss)	June 14th	Result unknown
Austria	Postel S. & M. Bank	\$ 11 000 000	June 1st 1919	"
Paris	Banque de Paris et des Pays-Bas	fr 150 000 000 (French)	July 1st 1919	Negotiated and not yet issued
Rome		L. 100 000 000	July 1st 1919	"
Prague	Czechoslovak Government	kr 60 000 000 (gold)		No public subscription

This loan is the first large scale post war loan contracted by a Central European State on the international market. The participation of an American Bank syndicate headed by J. P. Morgan Co. is interesting and noteworthy.

Reforms — The combining of different Ministries and various departments is being continued. The telegraph and telephone administration has been combined with the postal services and from July 1st onwards the railway board will be transformed into a department of the Ministry of Commerce and Communications.

Various administrative measures of detail put into force during the month

will, the Government's hopes, represent a yearly economy of 12 milliards of paper crown.

The sale price of the salt monopoly and the customs dues on imported salt have been revised, so as to ensure revenues equivalent to those of 1914.

Railway organisation — Sir William Acworth, the British expert invited by the Commissioner General to conduct an investigation on the present condition of the Austrian railways and to present a scheme of reorganisation, has entered into relations with the Transport Ministry, the technical railway services, the Railway men Syndicate and industrial and commercial circles.

In order to form an absolutely correct opinion on the state of the lines and rolling stock, the distribution of work at the stations, and the organisation of the workshops, Sir William Acworth has undertaken a journey of investigation on certain Austrian lines.

Whilst awaiting the result of this inquiry, the Railway Board has continued its work of reorganisation, introducing *inter alia* new regulations on the eight hour day.

The Swiss Government has placed M. Herold, Director of the Railway Section of the Postal and Railway Department at Berne at Sir William Acworth's disposal, to assist him in his work.

Reduction of number of officials — By June 15th, the number of officials dismissed during the month was 36,633. According to estimates the figure reached at the end of the month should be 50,000.

The Commissioner General has repeatedly drawn the attention of the Austrian Government to a certain lack of rapidity in the dismissal of supernumerary staff, a reform which had been the object of a special agreement between the Government and the League of Nations. This delay proves that certain measures of administrative reform are not carried out with sufficient energy. The salaries paid to the supernumerary staff weigh heavily on the budget, a circumstance which makes the dismissals provided for one of the primary conditions of financial reorganisation, and which may — if this reform is not energetically carried out — affect unfavourably the budgetary deficit.

Budgetary situation — The Austria Treasury accounts show that the limits fixed in the estimates for the period January 1st June 30th have not been overstepped. The preliminary budget for June showed expenses of 765 milliard crowns and receipts amounting to 407 milliards, resulting in a deficit of 358 milliards to be covered by the Commissioner General. The deficits of the five preceding months were respectively 404, 322, 308, 305 and 305 milliards. The average monthly deficit has therefore been 332 milliards, instead of 339 milliards, as provided for in the agreement between the Austrian Government and the League. The average monthly deficit for the second half of 1923 should be 101 milliards paper crowns.

The accounts for the first three months of 1923 show in reality a lower deficit than that allowed by the Commissioner General and fixed by agreement with the Provisional Delegation of the League. The total deficit for these three months was 976 milliards, whereas the Commissioner General had allowed a deficit of 1032, and the Delegation one of 1017 milliards. Should the accounts for April, May and June show a favourable result, this would imply that the revenues have increased. It is probable that the deficit will undergo no increase, as long as the Austrian Government carries out energetically its reforms.

Product of the securities reserved for the loan — The yield of the customs and the tobacco monopoly continues to cover amply the interests of the loan. The figures for May showed 215 milliards as against 184 in April. These receipts represent yearly revenues which would suffice to pay interest on the loan at the rate of 25 %

General situation — The general situation continues satisfactory. The number of unemployed is constantly decreasing as is shown by the fall in the number of persons receiving the unemployment dole. This decrease may be due to a question of seasons and also to a certain resumption of industrial activity. Other influences at work are the stabilisation of the crown and the adaptation of the Austrian industry to new conditions resulting from this fact.

The deposits in the banks and savings banks continue on the increase. In the nine principal Viennese banks and savings banks and in the nine provincial savings banks, the total has increased as follows:

September 1922	31 milliards (2 million gold crowns)
October 1922	49 " (3 " " ")
November 1922	74 " (5 " " ")
December 1922	110 " (8 " " ")
January 1923	156 " (11 " " ")
February 1923	197 " (13 " " ")
March 1923	274 " (15 " " ")
April 1923	361 " (18 " " ")
May 1923	408 " (20 " " ")

This represents an increase of 14 % during the last month or 886 % since the beginning of the reconstruction work.

The situation of the National Bank is satisfactory: the gold and foreign currency reserves on April 15th representing 65.4 % of notes in circulation, on May 15th this percentage was 65.5 and on June 15th 71 %.

IV — General Questions

1 — SIXTH SESSION OF THE TEMPORARY MIXED COMMISSION FOR THE REDUCTION OF ARMAMENTS

The Temporary Mixed Commission for the Reduction of Armaments held its sixth session from June 4th to 7th at Geneva. Mr. Schinzer (Italy) presiding. On the agenda figured, first in importance, the examination of the mutual guarantee scheme. Other questions before the Commission included the exchange of information as provided for under Article VIII of the Covenant: statistical inquiries on peace-time armaments, statements of Governments on the requirements of their national security, the use of poison gas in warfare and the control of the private manufacture of, and traffic in, arms. Statements by the Cuban and Colombian representatives were also noted by the Commission.

The following members were present at the meeting:

a) *Civilian members appointed by the Council of the League*

M. Fabry (substitute for M. Viviani)	(France)
M. A. Lebrun	(France)
M. Engberg (substitute for M. Branting)	(Sweden)
Lord Robert Cecil	(Great Britain)
M. Schinzer (Chairman)	(Italy)
Count Bonin Longare	(Italy)
M. D. Cobian (substitute for M. Alcalá Zamora)	(Spain)
M. E. Lohner	(Switzerland)
H. E. M. Matsuda (substitute for M. Honda)	(Japan)
M. F. J. Urrutia	(Colombia)
M. E. Villagras	(Chile)
M. W. Holsti	(Finland)

b) *Experts elected by the Permanent Advisory Committee for Military, Naval and Air Questions*

Reier Admiral Kikokawa (substitute for General Nagao)	(Japan)
Admiral de Magar	(Spain)
Admiral J. M. Prado	(Brazil)
Lt Colonel Requin (substitute for Field Marshal Faville)	(France)
General de Marinis Stuardo di Ricigliano	(Italy)
Reier Admiral Segrave	(Great Britain)

c) *Experts elected by the Economic and Financial Commission*

M. D. Janovic	(Roumania)
Sir James Brunyate	(India)
M. A. Janssen	(Belgium)

d) *Delegates selected by the Governing Board of the International Labour Office*

Labour Group

M. L. Jouhaux	(France)
M. J. Oudewater	(Holland)
K. Thorberg	(Sweden)

Employers Group

M. F. Hodack	(Czechoslovakia)
Dr. H. C. Oersted (substitute for M. Langhøj)	(Denmark)
Colonel David Carnegie	(Canada)

A Treaty of Mutual Guarantee — A general debate took place on the provisions of the draft treaty of mutual guarantee between the States presented by Lord Robert Cecil in February last. The draft had already been examined from a technical point of view by the Permanent Advisory Committee on Military, Naval and Air Questions and by a special sub-committee which met last month in London.

The Commission also discussed a draft convention of mutual aid submitted by Lt Colonel Requin. This draft provides for a general treaty to supplement or take the place of, special agreement, a form of engagement foreseen by the Assembly resolution on the mutual guarantee treaty.

At this session, also, Lord Robert Cecil laid before the Commission a scheme for the establishment of demilitarized frontier zones, to serve as an additional guarantee, should a specially threatened State request the Council to negotiate a treaty for its protection in case of attack.

The proposals of the British and French members were referred for a technical opinion to the Permanent Advisory Committee and a special sub-committee. As the former body met on the 5th, and the latter on the 16th, of July, the Temporary Mixed Commission, at its next meeting on July 31st, hopes to be able to dispose of the necessary information for the preparation of the treaty of mutual guarantee which it has to submit to the fourth Assembly.

B. Technical Studies and Documents — 1) *Exchange of Information* — The Commission instructed the Secretariat to collect and publish every year the information referred in Article VIII of the Covenant, which reads:

The Members of the League undertake to exchange full and frank information as to the armaments, their military, naval and air programmes and the condition of such of their industries as are adaptable to warlike purposes.

2) *Statements of Governments regarding their national security* — The Commission noted a memorandum prepared by the Secretariat, comprising the replies of different Governments to the League questionnaire on the requirements of their national security in relation to their international obligations, geographical position and other special circumstances. It was decided to call attention, at the next meeting of the Commission, to certain omissions in several of the answers.

3) *Statistical inquiry on peace time armaments* — The Commission decided to remind the Council that the answers to its statistical inquiry on peace time armaments, in view of the approaching meeting of the Assembly, should be published.

4) *Other questions on the agenda* — The Commission decided to ask the Council to examine the possibility of inviting the eight Governments represented at the Washington Conference to communicate to the Commission the report of their experts on chemical warfare and to request other non member States, in addition to the United States of America already invited to make known on what lines they would be willing to cooperate with the League in the question of the control of the traffic in and private manufacture of, arms.

C. Statement by the Chilean and Colombian Members — A communication on the results of the Santiago Conference insofar as they affect armaments, was made by the Chilean member, M. Villegas, who drew special attention to the fact that the resolutions adopted by that Conference were in harmony with the work of the League Commission.

M. Urrutia (Colombia), in a statement on the Convention for Reduction of Armaments concluded in February last at Washington by the Central American States, expressed the opinion that the five Republics had taken a noteworthy initiative.

4. — INTERNATIONAL AGREEMENTS

1) *Amendments to the Covenant — Present status of ratifications* — In view of the approaching meeting of the Assembly, the Secretary General to States Members of the League at the beginning of June a list of those States which had at that date ratified the amendments to the Covenant adopted in 1921 by the second Assembly.

The Secretary General drew particular attention to the fact that the Council, at its meeting of October 4th, 1922, had decided to request all States Members to ratify these amendments as soon as possible — particularly those relating to Articles IV (Election of the Non Permanent Members of the Council) and VI (Allocation of Expenses). He recalled at the same time the Resolution of the third Assembly to the effect that it was extremely important that these amendments should be ratified. Under Article XXVI of the Covenant, the amendments take effect when ratified by all States Members of the Council and by a majority of the States Members of the Assembly, namely twenty seven.

The present status of the ratification is as follows:

The amendment to Article IV (Election of the Non Permanent Members of the Council) has been ratified by nineteen States: Austria, British Empire, Bulgaria, Canada, Cuba, Denmark, Greece, Hungary, India, Japan, Italy, Netherlands, New Zealand, Norway, Poland, Siam, Sweden, Switzerland and the South African Union.

The amendment to Article VI (Allocation of Expenses) has been ratified by seventeen States: Australia, British Empire, Canada, Cuba, Denmark, Greece, Hungary, Japan, India, Netherlands, New Zealand, Norway, Poland, Siam, Sweden, Switzerland and the South African Union.

The amendments to Articles XIII and XV (Arbitration and Judicial Settlement of Disputes) have been ratified by eighteen States: Australia, British Empire,

Bulgaria, Canada, Cuba, Denmark, Hungary, Japan, India, Italy, Netherlands, Norway, New Zealand, Poland, Siam, Sweden, Switzerland and the South African Union, the amendment to Article XII, which also deals with arbitration and the judicial settlement of disputes, has been ratified by twelve States: Bulgaria, Cuba, Denmark, Hungary, Japan, Italy, Netherlands, Norway, Poland, Siam, Sweden, Switzerland.

Ten States: Bulgaria, Denmark, Hungary, Japan, Italy, Netherlands, Norway, Siam, Sweden and Switzerland have ratified the amendments to Article XVI (Economic Blockade), and eighteen States: Australia, British Empire, Bulgaria, Canada, Cuba, Denmark, Hungary, Japan, India, Italy, Netherlands, Norway, New Zealand, Poland, Siam, Sweden, Switzerland and the South African Union have ratified the amendments to Article XXVI (Ratification of Amendments).

In addition, all these amendments have been ratified by China, but the instruments of ratification have not yet been deposited at the Secretariat.

b) *Registration of Treaties and International Agreements* — Among the treaties and international agreements registered with the Secretariat in June figure two agreements concluded by the Czechoslovak and German Governments, the one concerning the application of Article 207 of the Treaty of Versailles, the other dealing with the economic relations between the two countries. These agreements were presented for registration by the representative of the Czechoslovak Government and the German consul at Geneva.

Agreements between Great Britain and Costa Rica, Great Britain and Mascate, Great Britain and Colombia and Great Britain and Germany were presented for registration by the British Government.

Further, an exchange of notes between the German and Danish Governments, concerning the annulment of all German-Danish agreements on the extradition of deserters, was registered at the request of the Danish minister in Bern.

Up to the present date 436 treaties and international agreements have been registered with the Secretariat.

3 — VISIT OF THE SECRETARY-GENERAL TO WARSAW, DANZIG, PRAGUE AND VIENNA

At the invitation of the Polish Government, Sir Eric Drummond, Secretary General of the League, accompanied by M. Paul Mantoux, Director of the Political Section of the Secretariat, paid a visit to Warsaw during the first week of June.

The Secretary General was received by the President of the Republic and during his visit met various leading personalities, notably the President of the Council, the Minister for Foreign Affairs and the Presidents of the Assemblies.

On leaving Warsaw, Sir Eric Drummond proceeded to Danzig, where he was the guest of the League High Commissioner, Mr. Mac Donnell and conferred with Dr. Sahm and various members of the Danzig Senate, the Polish Commissioner General, M. Plucinski, and the Chairman of the Harbour Board.

The Secretary General had also been invited by the Czechoslovak Government to pay a visit to Prague. During his stay in this city the Secretary General was received by the President of the Council, M. Svehla, and met M. Benes, Minister for Foreign Affairs, M. Gusa and various political personalities belonging to the different parties.

At a conference organised at the request of the University Association for the League of Nations, which was attended by various members of the Government and most of the diplomatic representatives at Prague, the Secretary General delivered a speech on the work of the League, in particular that of its technical organisations.

M. Mouton spoke on the League's activity in the political field and also on its work as regards disarmament.

On his return journey the Secretary General paid a visit to Vienna where he conferred with the Commissioner General Dr. Zimmermann, the Chancellor Mgr. Seipel and several of his colleagues.

V — Technical Organisations

1. — THE PROVISIONAL HEALTH ORGANISATION

1) *Sixth session of the Health Committee* — The sixth session of the Health Committee held in Paris from May 26th to June 6th in conjunction with the Pasteur Centenary celebrations made important progress both in drawing together the existing agencies for inter-governmental health co-operation and in moving forward the regular work of the Committee.

For the first time the American Member Surgeon General H. S. Cumming, Chief of the United States Public Health Service and the Brazilian Member Dr. Carlos Chagas, Director of the Oswaldo Cruz Institute of Rio de Janeiro took part, the former in an advisory capacity. These present therefore were as follows:

Professor Th. Madsen, Chairman
 Sir George Buchanan, M. D., C. B., Vice-Chairman
 Professor Léon Bernard
 Doctor Carozzi
 Doctor H. Carrière
 Doctor Carlos Chagas
 Doctor Chodzko
 Surgeon General H. S. Cumming
 Dr. Alberto Luttrario
 Dr. Shiko Kusama
 Dr. Angel Pulido
 Professor Sintoliquido

A. INTERNATIONAL HEALTH ORGANISATION

1) *Collaboration with the Office International d'Hygiène Publique* — The most important question of organisation taken up by the Committee was that of coordinating the League Health Organisation and the Office International d'Hygiène Publique, a question originally discussed by the First Assembly of the League in 1920 but postponed at that time largely because of the fact that the United States, which is a member of the Office International d'Hygiène Publique, was not represented on the Health Committee. Since then, however, the situation has changed considerably and as a result of a decision of the Council on January 30th last, the Health Committee named five of its members to represent it in a Mixed Committee with members chosen from the Office International. This Committee drew up a project for the Permanent Health Organisation of the League which was approved by the Health Committee for transmission and final approval by the Council, the Assembly and the Office International.

2) *The Pan-American Sanitary Bureau* — Similarly, the establishment of collaboration between the Health Section of the Secretariat and the Pan American Sanitary Bureau at Washington was authorized by the Council and is also discussed in

the light of a very detailed memorandum submitted by Surgeon General Cumming and of comments by Dr. Chagis. The Committee decided to leave to these two members the task of effecting the desired liaison.

3 *Epidemiological Intelligence* — Extension of the collaboration with the Rockefeller Foundation in order to maintain closer contact between the epidemiological services of the various countries and the Health Section of the Secretariat was also suggested in correspondence which had previously taken place between the Medical Director and the International Health Board. The Committee expressed its appreciation of the offer made and authorised the preparation of a detailed plan.

4 *Interchange of Sanitary Personnel* — As regards the system of interchange of Public Health personnel it was decided that for 1924 an interchange should be held in Great Britain, another in Holland and Denmark, and a third either in Switzerland or one of the new States, such as Poland, Czechoslovakia or the Serb-Croat-Slovene Kingdom. Provision will be made later for an interchange in the Far East and possibly in South America. For 1923, a further collective visit is planned for the United States as well as an exchange of laboratory workers between a number of bacteriological and public health institutes.

5 *The Epidemic Commission* — The Committee heard a general report on the work of the Epidemic Commission for Greece, Poland and Russia and a special report by Dr. Wroczynski, one of the agents of the Epidemic Commission in Greece, on the vaccination campaign among the refugees that has been organised and conducted at the request of the Greek Government and with the funds of the Epidemic Commission, through personnel recruited on the spot. The refugee number one fifth of the whole of the population of Greece and in certain districts outnumber the local residents. Since last January, over 1 1/2 million persons have been vaccinated against smallpox, cholera, typhoid, and various paratyphoids.

The Committee, in noting the useful work accomplished by the Epidemic Commission, and in recognising the fact that a large part of this work would have been impossible without special funds, provided by Dr. Nansen, decided to ask the Council of the League to take into consideration any proposition which might allow the League to place a special fund at the disposal of the Commission for urgent needs. The Committee pointed out that this fund need not be considerable, but that, if the Commission is to consider sudden calamities or disasters with the necessary rapidity, it should have at its disposal a small fund for immediate action.

6 *Requests for Co-operation* — Several requests for co-operation by the Health Committee were also acted upon, Surgeon General Cumming being asked to keep in touch with the World Dairy Congress to be held in Washington in October in collaboration with the United States Government, and Professor Leon Bernard being asked to report on the forthcoming Conference of the Comité National de Défense contre la Tuberculose.

B SPECIAL INTERNATIONAL ENQUIRIES

1 *Cancer* — An enquiry into the causes of the pronounced difference in certain forms of cancer mortality revealed especially in the vital statistics of England, Wales, Holland and Italy was decided upon by the Committee. This enquiry was felt to be of great interest to public health, particularly at present when the problems of cancer are being studied in many countries. As a first step a sub-committee was created consisting of Dr. Luttriau, Dr. Buchanan and Dr. Little.

2 *Malaria* — Another study was authorised on information recently gathered on the different methods of prophylaxis against malaria. During and since the war malaria has increased greatly in Eastern Europe and has spread widely from endemic centres to areas particularly in Russia, Albania, Bulgaria, the Serb-Croat-Slovene Kingdom and Greece, which were formerly relatively free of this scourge. A sub-committee consisting of Dr. Lutrario, Dr. Buchanan and Dr. Bernard was appointed.

In this connection the Albanian Government brought before the Committee a request for expert assistance in drawing up a plan for combating malaria in that country where the disease is endemic and of vital importance from both the health and economic points of view. The Albanian Government asked that the training in anti-malaria work now being given to Albanian medical officers through the Health Organisation be completed by further expert help in drawing up the actual plan. This request was referred to the sub-committee on malaria for immediate examination.

3 *Port Sanitation* — The Dutch Government asked through an expert delegate, Dr. Jitta, who attended the session for the purpose whether the Health Organisation could be instrumental in grading ports from a sanitary point of view so that ships which have been given a clean bill of health at a duly qualified port need not undergo disinfection and similar measures between ports of one country and where bilateral conventions to that effect exist between ports of different countries. The Dutch proposal would involve expanding and modifying existing conventions perhaps providing for periodic international inspection and a preliminary survey of ports. A sub-committee for the technical study of the question was constituted consisting of Sir George Buchanan, Surgeon-General Cumming, Dr. Chagas and Dr. Lutrario.

4 *Sleeping Sickness* — Another branch of this work of practical enquiry was dealt with in the first interim report presented to the Committee by Dr. Andrew Balfour, as chairman of the small expert committee appointed some time ago by the Health Committee to investigate the international problems raised by the spread of sleeping sickness and tuberculosis in tropical Africa. The Committee is composed of health experts from the three countries—Great Britain, France and Belgium—with colonial interests in equatorial Africa.

5 *Drug Requirements* — A report was also presented at this session on the work accomplished by the Joint Sub-Committee which the League Health and Opium Committees had appointed in January to consider methods of ascertaining the legitimate needs of countries in respect of dangerous drugs as part of the campaign against the illicit traffic that is being conducted through the League.

Since the first meeting a questionnaire has been drawn up intended to elicit the information desired under these heads and the Swiss health authorities have embarked on an enquiry on these lines in the Canton of Basle-Ville.

b) *Interchange of Public Health Officials* — The interchange of malaria specialists arranged by the Health Organisation of the League came to an end on June 15th when a meeting attended by seventeen health officers from twelve different countries—Albania, Bulgaria, Georgia, Germany, Greece, Italy, the Netherlands, Poland, Portugal, the Serb-Croat-Slovene Kingdom, Spain and the United States—was held at Geneva.

This interchange, which began on May 21st and was held in Italy, was specially devoted to anti-malarial work. During their stay in Italy the participants visited the Malariological School at Nettuno, the malaria stations of the Italian Red Cross, the enterprises of bonification on a small and large scale at the Pontine marshes.

Ferrara and Venice, the disinfection operations at Grosseto and the State quinine manufactory at Turin.

At Geneva, the participants, after an exchange of views on the results achieved and on ways and means of perfecting the system of interchanges, submitted reports on the anti-malaria methods in use in their own countries and in Italy.

Professor Chagas (Brazil) and Professor Nocht (Hamburg), members of the League Health Committee, and Professor Gossio, of the Italian Public Health Laboratories, Director of the Malariological School at Nettuno, were present at the meeting.

— THE ECONOMIC AND FINANCIAL ORGANISATION

a) *Tenth Session of the Financial Committee* — The Financial Committee at its tenth session held at Geneva from June 21st to 24th discussed the proposed loan in favour of refugees in Greece, two reports on the question of Double Taxation, and the financial situation of the Free City of Danzig.

The following members were present, M. Janssen (Belgium) being elected Chairman for one year, in succession to M. Wallenberg (Sweden) whose term of office had expired.

M. Janssen	(Belgium),
Comm. Bianchini	(Italy),
M. Parmentier	(France),
M. Ter Meulen	(Netherlands),
Sir Henry Strakosch	(South Africa)

The United States was represented for the first time through the naming by the State Department of Mr. F. R. Dolbeare to take part in a consultative capacity in the discussions on the proposed Greek loan. Upon joining the Committee Mr. Dolbeare recalled the note of March 31st last of Secretary of State Hughes' to the British, French and Italian Governments to the effect that the emergency work in Greece of the American relief agencies, especially the Red Cross and the Near East Relief, must, because of the huge expense involved, come to an end on June 30th, but that these organisations would be ready to cooperate after that date in case it were possible to work out a constructive plan for an apportionment of the task and a gradual solution of the problem.

The Committee thereupon heard a report by M. Parmentier who had just returned from Greece, where, at the request of the Committee, he had investigated the possibilities of a Government loan in favour of the refugees.

Having thoroughly considered the various financial aspects of the question, the Committee decided that its Chairman and some of its members should enter into relations with the Sub-Committee appointed by the Council to consider the Greek refugee problem. This Sub-Committee, as composed of British, French, Italian and possibly Greek representatives.

b) *Double taxation and fiscal evasion* — The second step in the study initiated by the Financial Committee of the League into the question of double taxation was taken during the month when a Committee of Government Experts met at Geneva from June 4th to 9th to study the administrative and practical side of the question the more theoretical aspects having been already examined by a Committee of Economists in March.

The Committee of Government Experts was composed of senior officials of the Inland Revenue Departments of seven European countries as follows:

M. Baudouin Bugnet (France), M. Blau (Switzerland), M. Clavier (Belgium), M. Sinnighe Damsté (Holland), Sir Percy Thompson (Great Britain), Dr. Valnicel (Czechoslovakia), M. d'Aroma (Italy) took the Chair.

The first meeting of the Committee was devoted mainly to a preliminary investigation regarding principles and solutions of a general character which might be recommended after detailed study. The Committee was of opinion that no change in existing conditions could be effected in the absence of international conventions, or at all events until certain modifications had been made in the legal systems of the different countries. At the same time the Committee recognised that a collective convention should in any case not go further than the establishment of general principles, leaving the various countries free to conclude bilateral conventions on questions of detail. Moreover, a co-ordinating body, under the auspices of the League, should be set up to settle disputes which might arise under such agreements.

The members of the Committee came to an agreement of principle regarding the question of impersonal or schedular taxes. As far as the general income tax is concerned, the Committee considered that no one of the four general methods suggested in the report of the economists ⁽¹⁾ appeared to merit recommendation, because of objections either as to principle or as to practical difficulties. The Committee accepted as a general principle that the income tax should be collected by the State of domicile, subject perhaps to exceptional cases where the State of domicile would grant exemption.

The Committee was able only to begin the investigation of the question of the flight of capital. It recognised at the outset that the value and efficacy of any measures for combating double taxation depend to a great degree on the support given by different States to each other, not only for detecting fraud, but also for determining the precise assessment of the various taxes and the evaluation of incomes.

The Committee decided to hold its next session in October.

c) *The Preparatory Committee of Experts on Statistics* — The Preparatory Committee of Experts on Statistics held its second meeting at the Hague from June 6th to 10th.

This Committee was appointed by a joint meeting of representatives of the Economic Committee of the League, the International Labour Office and the International Institute of Statistics for the purpose of drawing up memoranda on different fields of statistics to be submitted to the General Conference of the last named body in the autumn of this year, as a basis for its discussions on the comparability of statistical methodology.

The Committee of Experts, at its first meeting, which was held in January 1923 (2) divided itself into four sub-committees to draw up memoranda on different subjects. These memoranda were discussed in detail during the June meeting, and definite resolutions were carried on three of them concerning trade statistics, index numbers and agricultural statistics.

It is intended to hold a further meeting on September 30th next to frame resolutions on the remaining subject of mineral statistics.

V — Administrative Questions

1 — THE SAAR — FOURTEENTH REPORT OF THE GOVERNING COMMISSION

i) *Withdrawal of the Provisional Decree of March 7th* — The President of the Saar Basin Governing Commission has addressed to the Secretary General, for the information of the Council of the League, a letter, dated June 19th, announcing

(1) *Monthly Summary*, Vol. II, No. 26, p. 52.

(2) See *Monthly Summary*, Vol. III, No. 1, p. 2.

that, on June 18th, 1923, it had withdrawn the Provisional Decree of March 7th, 1923, for the maintenance of public order and security in the Saar Basin and had promulgated a new Decree dealing with the same subject

2 Fourteenth Periodical Report of the Governing Commission — The Secretary General has received from the Governing Commission its fourteenth periodical report covering the period from December 16th, 1922 to June 15th, 1923. This report, which has been adopted by four votes, deals in detail 'with the general strike of the miners and the re-establishment of a single currency by means of the introduction of the new mark', 'the two most important events in the Saar Basin since the Versailles Treaty came into force'. The following are the main lines of the Report (2)

Economic and Social Situation The Miner's Strike — The Report begins by recalling the period of unusual prosperity which the Saar Basin enjoyed at the end of 1922, and which is attested by the figures quoted in the former Report.

This prosperity was wrecked by the miners' strike which began on February 5th and lasted till May 15th. In order that the full consequences of this strike may be appreciated it is necessary to bear in mind that every economic organisation in the district, all production and all traffic, depend on the coal. As soon as the supply of this fuel ceases the entire life of the Saar Basin becomes paralysed.

After explaining the causes of the strike, the first since the Governing Commission took up office in February 1920, the Report points out that it broke out as a result of the reduction of wages, in spite of repeated efforts on the part of the Chairman of the Commission, and soon extended to every pit in the Saar Basin. It presented an unusual character, adds the Report, by the very length of its duration, as well as by the amount and regularity of the subsidies paid to the strikers, and it was impossible to resist the conclusion that the motives of those who took part in the strike were not of a purely economic nature.

Negotiations were held at the beginning of May between the management of the mines and the trade union representatives and the miners went back to work after being granted an increase of wages to all classes alike. As a result, however, of the damage done to the galleries of the mines and to certain parts which have become unworkable, says the Report, the effect of the strike on the supply of coal will probably continue to be felt until the end of September. Its effect on the whole economic life of the district— slowing down or stoppage of most of the factories, the suspension of railway traffic—will be felt for several years to come.

Provisional Decree relative to the Maintenance of Public Order and Safety — The Report describes the motives that led the Governing Commission last March to issue a provisional decree for the maintenance of public order and safety and recalls the explanations given on this subject by the Chairman of the Governing Commission to the Council of the League at its last meeting in April (1). It adds that the Provisional Decree, after being submitted to the Examining Committee (Comité d'Études) and to the Administrative Council, will be subjected to further examination on the part of the Governing Commission. (As stated above, the Provisional Decree was, in fact, withdrawn on June 18th).

Currency Question — Owing to the gravity of the monetary situation of the Saar District, due to the increasing depreciation of the German mark and the circulation of the French franc simultaneously with that of the mark, the Governing Commission is of unanimous opinion that the remedy should be sought in the return to monetary unity by means of the elimination of the German notes. Accordingly

(1) See *Monthly Summary*, December 1922, p. 17.

(2) See *Monthly Summary*, April 1923, p. 81.

after consulting the Examining Committee and the Advisory Council, and noting the wishes of the Chamber of Commerce, the Governing Commission issued a Decree on May 18th, making the French franc the only legal currency in the District.

The Report enumerates the fatal effects of the double currency on public and private finances and on industries and agriculture in the Saar Basin. The Governing Commission it says was unable to regard the future with any confidence as long as the financial organization of the district was dependent on the German money market. It appeared to be absolutely necessary to free the Saar Basin from the mark and to put an end to the double currency and its grave consequences.

The Report also states that the reform thus introduced was the outcome of a slowly developed process and that it merely sanctioned a state of affairs already in existence. The Commission believes, it continues, that in introducing this reform it has in no way exceeded the powers that it holds under the Peace Treaty. Moreover, the Commission only resolved to have the French franc as the sole currency of the district after it had made certain that the result would not aggravate the difficulties of those classes of the people which had suffered from the depreciation of the mark, but would be to their advantage.

The main Ordinance assures payment in francs for all wage earners. Moreover, with the approval of the Advisory Council, a further Ordinance has been issued, the purpose of which is to transform into francs the whole system of social insurance. In order to allow for the payment of insurance dues during the next few months, the Governing Commission has made an advance amounting to several million francs. Disabled soldiers will also be paid in francs.

Finally, the Commission has guarded against the possibility of any advantage being taken of the change to bring about an unjustified increase in the cost of living.

Administrative Action — The ordinance, passed in December 28th, 1922 making the necessary changes in the regulations for the housing problem has now come into force and has already brought about a distinct improvement. The work of the Inexpensive Building Office continues to develop, and the building plans for 1923 comprise 400 new houses.

Finance — The final accounts, receipts and expenditure, of the 1920 budget have been closed, with a balance of 45,158,519 francs 74 centimes and 671,435 marks 34 pf.

In spite of the satisfactory results of this budget, it does not, however, follow that subsequent ones will be as favourable. These will, of course, have to bear the cost of the gradual introduction of the franc, of the development of various administrations entailing an inevitable increase in expenditure, of the revision of salaries and of the reduction of the tax on coal.

The 1923 budget will be drawn up on the basis of the French franc alone.

Treasury — The prolonged strike of the miners has had an unfortunate effect on the finances of the Saar Basin. Thanks to the arrangements made by the Governing Commission, however, the Treasury has been able to meet all demands for funds made by the various bodies entrusted with the reconstruction of the economic life of the country.

Public Works Railways — The action of the Railway Administration of the Saar Basin, which proceeded along normal lines in 1922, has been unfavourably affected by the coal strike. The 1923 budget has a deficit, of which it is not yet possible to give the exact figures.

Postal and Telegraph Service — Measures have been taken by the Administration to diminish the difficulties in the postal relations with occupied and above all, unoccupied Germany, and certain agreements have been made to this end with the Postal Administrations of Germany, France and Luxembourg.

Public Law — The action of the Saar Law Courts has, during the period from May 1922 to June 1923, been especially dependent on the economic situation of the district and in this way the economic change can be measured by reference to the legal activities of the district. On the one hand, an abundance of capital, as well as greater financial ease, particularly in the circles in which formerly bankruptcy most often occurred, and on the other, a more developed spirit of enterprise, are shown at present to be the important factors of the economic life of the country.

Education — Arrangements have been made for special preparatory classes to enable pupils of rural primary schools to enter a secondary or high school (Gymnasium or Lycée) at about the age of thirteen.

Labour, Trade and Industry — The taking over of the Rhenish Customs by the Inter Allied High Commission has raised some rather delicate problems in connection with the food supply for the Saar Basin. The Governing Commission has entered into negotiations with the High Commission to assure that the special customs rights held by the Saar population by virtue of the Peace Treaty should be respected.

III *German Government's Protest against the Decree of May 18th* — On June 5th the German Government addressed a letter to the Saar Governing Commission, in which it protested against the action of the Commission in introducing the French currency as the only legal tender in the District.

The German Government is of the opinion that this Decree constitutes a breach of the provisions of the Versailles Treaty. According to its interpretation the second part of paragraph 32 of the annex to Articles 45 to 50 of the Treaty grants only to the French State the privilege of using French currency in the district, and the question is therefore settled by the first part of paragraph 32, which prescribes, in an unequivocal manner, that in the Saar Basin the franc shall only have the position of a currency tolerated alongside of the legal currency of the country.

2. — MANDATES

Annual Reports of the Mandatory Powers — Annual reports on the administration of mandated territories required by the Covenant to be submitted by the Mandatory Powers had been received by June 30th from the four following Powers: Great Britain on the administration of Palestine, France on that of French Togoland and the Cameroons, New Zealand on that of West Samoa, and South Africa on that of South West Africa, as well as two special reports by the last named state on the Bondelszwart enquiry.

These reports, with others to be received later, will be examined at the annual meeting of the Permanent Mandates Commission beginning on July 20th. This examination will take place, as required by the rules of the Commission, in the presence of the accredited representatives of the Mandatory Powers concerned, for which the following nominations have so far been notified.

Sir Joseph Cook (Australia) for the report on New Guinea, M. Pierre Forthomme (Belgium) for the reports on the Ruanda and Urundi territories, M. Duchene, director of the Political Department at the French Colonial Ministry, for those on French Togoland and the Cameroons, Sir James Allen (New Zealand) for those on West Samoa and Nauru, and Major Herbert, Secretary of the Native Affairs Department of the South African Union, for that on South West Africa.

VII — Political Questions

INCURSIONS OF MARAUDING BANDS INTO THE FRONTIER ZONES OF STATES BORDERING ON BULGARIA

The Bulgarian Charge d'Affaires at Berne has informed the Secretary General that, as a result of negotiations between the Bulgarian and Serb Croat Slovene Governments following the recommendation of the Council in regard to the question of marauding bands in the frontier zones of States bordering on Bulgaria, it has been decided that all such disputes shall henceforth be referred for solution to special mixed commissions set up for the purpose.

The Bulgarian Charge d'Affaires stated further that the first of these commissions has met at Nisch on March 1st in order to decide what measures should be taken to ensure security along the frontier between the two States and had voted a series of resolutions the text of which he annexed to his letter.

The Council of the League, at its nineteenth session (1), had expressed the hope that the efforts of the interested Governments to put an end by direct agreement to a situation which might endanger peace would be successful, and had requested the said Governments to inform it of the results of their negotiations.

VIII — Social and Humanitarian Questions

1. — REFUGEES

a) *The sanitary situation of Greek refugees at Constantinople* — The League High Commissioner for Refugees has received from his representative in Constantinople a report on the sanitary situation of the Greek refugees in that city.

A total of 16,747 refugees are distributed among eight camps, of which the most important are Selime and San Stefano. The general bill of health for all camps for the third week in May shows 5 new smallpox cases, 15 typhus and 16 recurrent fever cases. 88 deaths from previously registered cases are reported.

The camp of San Stefano, which has been the object of special attention, as regards organisation and sanitation, on the part of the High Commissioner's representative, aided by the Imperial War Relief Fund, now shows an absolutely clean bill of health, as far as epidemic diseases are concerned. The death rate, when the High Commissioner took over the camp, was 40/50 a day for 2,000 refugees.

It is probable that increasing numbers of refugees will shortly be concentrated at this camp, which is far and away the most suitable, both as regards salubrity and possibilities of expansion. This transfer and the maintenance of the camp call for an outlay of about £ 1,000. The Imperial War Relief Fund has offered to contribute a sum of £ 1,000 for this purpose, provided that the League grants £ 2,000, and that assurances are given that the refugees, on evacuation from Constantinople, will be immediately absorbed into a reconstructive scheme, such as that put into practice in Western Thrace.

b) *Bulgarian Deportees from Western Thrace* — The League High Commissioner for Refugees has received a report from his representative in Greece on the condition of the Bulgarian deportees in Thessaly.

This question was brought before the Council at its twenty-fourth session by

(1) See *Monthly Summary*, Vol. II, No. 7, p. 158.

the Bulgarian Government. In the course of the debate on the subject, assurances were given by the Greek representative that the Bulgarian inhabitants of Western Thrace would be restored to their homes as soon as circumstances permitted. Pending the reinstatement of the deportees, the Council requested Dr. Nansen to do all in his power to improve their condition.

According to the report of Dr. Nansen's representative, the Bulgarian deportees — chiefly old men, women and children — number approximately 3,000, and are dispersed in forty-nine villages along the Larissa—Velestino—Demerli railway line. Twenty-one of these villages were visited by the High Commissioner's representative.

The deportees are lodged—as far as possible—in tenements similar to those of the native population, and, where such accommodation has not been available in barns, empty flour mills and stables. The sanitary conditions are satisfactory and blankets have been provided, but a certain discomfort is the inevitable result of the lack of sufficient space.

Medical attendance can be had free of charge, and there is practically no sickness among the deportees.

As regards provisions, a flour ration of 75—100 drammes (equivalent to 1½ kilo bread) per head per day is distributed to the deportees. Moreover, the Greek authorities in Volo, the sorting base, have been advised that the Greek Government will allow each deportee a dole of 2 drachmae daily.

The deportees have been distributed among the richest agricultural districts in Thessaly, and, in normal circumstances, would be able to earn 5-12 drachmae a day. There is, however, a certain shortage of work owing to the presence in the same areas of Greek refugees. It is expected that matters will improve with the approach of the harvesting period.

Dr. Nansen's representative concludes that there is no actual destitution among the Bulgarian deportees in Thessaly, and that, in certain respects, they are better off than the Greek refugees. He is of opinion, however, that the flour ration should be definitely fixed at 100 drammes a day.

2. — CONVENTION FOR THE SUPPRESSION OF OBSCENE PUBLICATIONS

In conformity with the resolution passed by the Third Assembly⁽¹⁾, the Draft Convention of 1910 for the prevention of the traffic in obscene publications was sent last November to all States, with a request for their comments. A definite questionnaire had been drawn up and the States were asked whether in their opinion the Convention was still suitable for signature in its existing form or whether certain modifications were advisable concerning seizures of immoral literature, the expulsion or extradition of offenders and special legislation in the interest of minors.

Replies have been sent by eleven States and five others have written to say that the matter is under consideration. Three of the ten States (India, Panama, New Zealand) are prepared to accept the Convention as it stands, seven others (Denmark, Great Britain, Netherlands, Norway, the Serb-Croat-Slovene Kingdom and South Africa and Switzerland) would accept it with certain reservations and alterations, and one (Belgium) cannot accept the existing Convention, which is, in her opinion, insufficient for the purpose. All ten States are of the opinion that the exact meaning of the word « obscene » should not be defined in the Convention but that each State should be allowed to give the word the legal significance that appears proper to itself.

A summary of the ten replies has been sent to Paris, for the Assembly decided last September that, in view of the initiative taken by France in 1910, the French Government should be asked to convene a Conference, to be held at Geneva under the auspices of the League about the time of the Fourth Assembly, in order that a Convention for the suppression of obscene publications might be brought into effect.

(1) See *Monthly Summary*, Vol. II, No. 2, p. 225.

IX — Forthcoming Events

July 16th	Special meeting of the Temporary Mixed Commission, London
July 20th	Session of the Permanent Mandates Commission, Geneva
July 23rd 25th	Meetings of the sub-committees of the Committee on Intellectual Co operation, Geneva
July 26th	Second session of the Committee on Intellectual Co operation, Geneva
July 31st	Plenary session of the Temporary Mixed Commission, Paris
August 29th	Meeting of the Advisory and Technical Committee on Communications and Transit, Geneva
August 30th	Tenth session of the Economic Committee, Geneva
September 3rd	Fourth Assembly of the League of Nations, Geneva
October 8th	Second session of the Committee of Government Experts on Double Taxation, Geneva
October 15th	International Customs Conference, Geneva

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August 15th

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I — Summary of the Month

During the month of July the Council met at Geneva from the 2nd to 7th with a heavy agenda. At the Hague, the Permanent Court of International Justice gave its opinion on the *Eastern Caspian* case, and heard the *S. S. Wirblowitz*

case Two committees on armaments met to consider especially the Treaty of Mutual Guarantee the Permanent Advisory Committee at Geneva from July 5th to 7th, and a committee of the Temporary Mixed Commission at London from July 16 to 20 Similarly, a small committee of wireless experts met at London on July 10th and 17th while both the Mandates Commission and the Committee on Intellectual Co-operation were in session at Geneva when the month closed

As regard political questions, that which attracted most attention was the request of the British Government that the Council undertake an enquiry into the administration of the Saar Valley The Council acceded to this request and invited the Members of the Saar Valley Governing Commission to Geneva, where, after a detailed enquiry, the Council arrived at a unanimous resolution as to the principles of government of the territory

The protest of Hungary against the expropriation by Roumania of Hungarian optants was also discussed by the Council with representatives of both governments present Similarly, several important questions regarding minorities in Poland Esthonia and Latvia were brought up for examination certain legal problems concerning the status of German minorities in Poland being referred to the Permanent Court of International Justice for an advisory opinion Finally the relations between Poland and Danzig were examined by the Council in the presence of representatives of both parties when several important resolutions were passed

As regards the reduction of armaments, a new draft of the proposed Treaty of Mutual Guarantee was arrived at at a meeting in London, when the projects of Lord Robert Cecil and Lt Colonel Requin were merged The new draft is to be submitted to the Temporary Mixed Commission in August for report to the fourth Assembly

As to financial and economic questions, the Council noted with pleasure the reports of progress made towards the reconstruction of Austria It also referred to all States Members of the League a draft protocol prepared by the Economic Committee on arbitration clauses in commercial contracts with the suggestion that this Protocol be opened for signature at the Fourth Assembly During the month also the second memorandum giving currency statistics of fifty one nations was also published

As regards legal questions the Permanent Court of International Justice at The Hague decided with regret that it did not have competence to give an advisory opinion on the question referred to it by the Council concerning the status of Eastern Carthage The Court also heard the arguments and counter arguments in the case of the *S S Wimbledon* brought by the four Principal Allied Powers against Germany A number of important treaties were registered with the League during the month, including an Austro Hungarian agreement for obligatory arbitration Further consideration of the proposed Canadian amendment to Article X of the Covenant was referred to the fourth Assembly by the Council through the transmission to the former of the statements of a large number of governments regarding this Article

With regard to social questions the Council gratefully acknowledged an additional grant by the International Health Board of the Rockefeller Foundation to the Health Committee of the League, and approved and transmitted to the Assembly the project for pulling the Health Organisation of the League on a permanent basis The Council also drew up and forwarded to the Greek Government a detailed plan of the conditions under which it would co-operate in the solution of the problem of the million refugees now in Greece Finally, it nominated the experts who are to conduct an enquiry into the scope and methods of the international traffic in women and children and referred the report of the Advisory Committee on the Traffic in Opium and other Drugs to various States Members of the League with the request that they give special consideration thereto, so as to enable their representatives at the Assembly to make effective the recommendations contained therein

II — The Permanent Court of International Justice

Third Session (1)

The Permanent Court of International Justice on July 23rd gave its reply to the request submitted to it by the Council for an advisory opinion concerning the status of Eastern Carelia. This reply is now published as No 5 of Series B of the Publications of the Permanent Court of International Justice. In the early part of the month also, the Court began and concluded the hearings in the case of the *S S Wimbledon*.

The Status of Eastern Carelia — A majority of seven judges of the Court concluded, with regret, that the Court had no jurisdiction to express an opinion on the question placed before it by the Council, as to whether Articles 10 and 11 of the Treaty of Peace between Finland and Russia, signed at Dorpat on October 14th, 1920, and the annexed Declaration of the Russian Delegation regarding the autonomy of Eastern Carelia, constitute engagements of an international character which place Russia under an obligation to Finland as to the carrying out of the provisions contained therein. The four remaining judges, however, declared themselves unable to concur in the majority opinion.

The question had long been in dispute between Finland and Russia whether certain provisions relating to the autonomy of the Russian territory of Eastern Carelia, situated along the eastern frontier of Finland and inhabited by a population belonging to the Finnish race, placed Russia under obligation of an international character and entitled Finland to insist on their fulfilment. The Court observed that, since this point was at the moment the object of acute controversy between Finland and Russia, to give an answer to the question submitted would be substantially equivalent to settling the dispute. It also observed that the Soviet Government, having been approached, on the initiative of the League of Nations, on the question whether it would be willing to lend its assistance in the solution of this dispute, had given a distinct refusal to accept any suggestion of the sort and had also refused to participate in any proceedings before the Court on the subject of Eastern Carelia.

The Court also pointed out that a reply on the question submitted would have made an enquiry into questions of fact indispensable, an enquiry which the Court would have found it difficult to carry out successfully without Russia's concurrence.

The Court felt it could not express an opinion on a dispute which had in fact arisen between a Member of the League of Nations and a State not a Member, without the consent of the latter. This would result from the principle of State independence, even if the case did not fall under Article XVII of the Covenant.

The Court stated that it did not regret the fact that the question had been submitted, because it would thus become clear to all that the Council had endeavoured to explore every avenue which might possibly have led to a solution of a dispute between two nations.

The S S Wimbledon — The hearings in the case brought by the Principal Allied Powers against Germany for alleged violation of the Treaty of Versailles in refusing passage through the Kiel Canal to the *S S Wimbledon*, were begun on July 5th. The case of the claimant Powers was outlined first by M. Basdevant, agent for the French Government, who was followed by Sir Cecil Hurst for the British Government, M. Politti agent for the Italian Government, and Mr. Ito, agent

(1) See *Monthly Summary* Vol. III No. 6, p. 11.

for the Japanese Government. Poland had been admitted by the Court to intervene in the case as a State especially interested and sent its agent M. Olschowski. The counter argument for the German Government was made by Mr. Schiffer.

The facts of the case which are not in dispute relate to Germany's refusal to permit the S. S. *Wimbledon* to pass through the Kiel Canal in March 1921, while carrying munitions of war to Poland.

The case presented by the claimant Powers is based upon an interpretation of Article 380 of the Treaty of Versailles which provides that the Kiel Canal shall be maintained free and open to the vessels of commerce and of war of all nations at peace with Germany on terms of entire equality.

Mr. Basdevant, after referring to the special character of the case as the first contested case before the Court and the first instance in history of an exercise of jurisdiction on unilateral application, contended that the claimant Powers' interpretation of the clause of the Treaty of Versailles relating to the Kiel Canal was compatible with the general principles of international law. He drew an analogy between the status of the Kiel Canal and that of the Suez and Panama Canals, contending that the Kiel Canal had been assimilated in some respects to other maritime canals. He contended that the law of neutrality did not obligate Germany to prohibit the passage of contraband through the Canal and that on the other hand it did not give Germany any special privilege with reference to effecting such prohibition. It was contended also that inasmuch as the preliminary Treaty of Peace between Russia and Poland had come into force at the moment when the *Wimbledon* was prohibited passage, the condition of neutrality had ceased to exist with the war itself. The conclusion was then drawn that Germany was under obligation to indemnify firms which had been injured as a consequence of a prohibition effected in violation of the Treaty of Versailles. The applicant Powers had previously claimed indemnity for loss of profit but this claim was abandoned.

Sir Cecil Hurt also insisted on the points of similarity in the status of the Kiel Canal and that of the Suez and Panama Canals. Mr. Pilotti argued that no legal grounds of impossibility or necessity prevented Germany from carrying out the Treaty of Versailles, the provision of which Mr. Ito argued were in line with the historical development of the law relating to international waterways.

The German Government's case was presented by Mr. Schiffer, who spoke in German and on behalf of his Government expressed great satisfaction with the establishment of the International Court. He then proceeded to state the historical background of the case at issue. He contended that there had been no infringement of the provisions of the Treaty of Versailles and that it was the Government's duty to invoke necessity or impossibility in behalf of Germany's position that the right of passage conferred by Article 380 was not an absolute right, but was subject to reasonable restrictions which Germany might place upon it and in this respect the exceptions provided in Article 381 were not to be taken to be exhaustive. Analogy was drawn to the provisions concerning the transit of internal waterways, as given in Article 327 of the Treaty of Versailles. Germany could not admit that the Kiel Canal was anything else than a national waterway. It was contended that while Germany was not obligated to prohibit the transit of contraband, she held as an incident to her sovereignty over the Canal the power to enact such prohibition.

Germany could not admit that the Kiel Canal had been placed under a regime similar to that of the Panama and Suez Canals. It was contended that at the time of the *Wimbledon* incident, war was still in progress between Poland and Russia, that the Treaty which had been signed was only a preliminary treaty which by its provisions purported to suspend hostilities without definitely terminating them. Germany also contended that if an indemnity were to be found to be payable by Germany, this should not include any of the costs of the proceedings, nor should it include claims for interest. Moreover, any indemnity should be fixed in German currency. In a later rejoinder Mr. Schiffer contended that the German

case was based upon a parallelism between the Versailles Treaty provisions relating to the Kiel Canal and the provisions in the same Treaty relating to internal water ways.

III — The Financial Reconstruction of Austria

1 — RESOLUTION OF THE COUNCIL

On July 2nd the Council on the proposal of M. Salandra, and after noting the fourth and fifth reports of the Commissioner General, expressed its appreciation of the progress in the work of reconstruction in Austria, congratulating the Austrian Government and Dr. Zimmerman. The Council further intimated its satisfaction at the success of the Austrian Long Term Loan, thanking all those whose unremitting efforts in European and American countries had contributed to this result.

Speaking of the future, M. Salandra said that the Council was confident that Austria herself, with the help of the Commissioner General, would proceed rapidly with the execution of her share of the work, including the completion of the administrative reforms, the balancing of the budget and the establishment of Austrian finances on a sound and self-supporting basis.

2 — REFORMS AND GENERAL SITUATION

Reorganisation of the Railway System — The conclusions of the report of Sir William Acworth (1), the British railway expert, on his investigation of the Austrian railway system and the observations of the Austrian Government on the subject have been embodied in a law which was passed by the Austrian Parliament before the end of the summer session. This law provides for the separation of the Austrian railway administration from the State services and the constitution of an autonomous body under Government supervision whose task it will be to place the railways on a commercial basis.

Other reforms — Among other important reforms effected during the month may be specially mentioned a decision of the Extraordinary State Council, raising the postal, telegraphic and telephone fees to practically the same rate as in countries with a stable exchange.

The cutting down of the State services, which had remained stationary for some time, was actively pursued in July. The number of dismissals which according to the schedule, should have reached the figure of 50,000 on June 30th, was 36,000 on June 15th, and 45,405 on July 15th. The increase shown by the latter figure is mainly due to the dismissal of officials of the finance and railway administrations.

Budgetary situation — The second stage in the gradual reduction of the Austrian deficit, provided for in the agreement between the Austrian Government and the League, began on July 1st. During this second period of six months, from July 1st to December 31st, 1923 the average monthly deficit has been fixed at 190 milliards of paper crowns as compared with 350 milliards for the first period. As in January, 1923, however, the Commissioner General has authorised a higher deficit for the first month of the second period than that provided for on condition that the surplus be deducted from the deficits of the five following months. The budgetary estimates for July are as follows:

Expenditure	660 milliards
Revenues	390 „
Deficit	270 milliards

to be covered by the proceeds of the loans

The average deficit for the second period corresponds to the following estimates

Expenditure	614 milliards
Revenues	455 „
Deficit	<u>159 milliard.</u>

It may be recalled that the deficit for the first three months of 1923 was in practice lower than the average fixed by the Commissioner General this result being due to an increase in the public revenue

General Situation — The constant reduction in the number of unemployed until the end of June when the returns showed a decrease from 168 147 to 62 064 did not continue during July. For the first time since February a slight increase has been noted, the causes of which have not as yet been determined

The bank and savings bank deposits increased in June by 40 milliards of paper crowns. The total of these deposits is now 338 milliard paper crowns or 22 1/2 million crowns. At the end of September 1922, the deposits totalled 2 million gold crowns rising to 6 millions at the end of the year

The Austrian Government during June and July had to grapple with serious difficulties in the State services owing to the question of salaries and the enforcement of the law on the cost of living index. During the period of inflation the salaries of civil servants varied according to the index, which was established every month by a commission on which all parties were equally represented. The crown having been stabilised the Government wished to stabilise the salaries a measure to which the civil servants have consented subject to a rise of 30 %. The Government is unable to meet this demand but has nevertheless granted a sum of 240 milliards paper crowns to be used for the purpose of increasing the salaries. The civil servants have moreover, agreed to the suppression of the cost of living index for a period of three months. It should be noted, in this connection, that the July index was 5 % lower than that of the preceding month

The cost of living index has varied as follows since September 1922

September-October	— 8
October-November	— 6
November-December	— 3
December-January	+ 1
January-February	+ 2
February-March	+ 6
March-April	+ 7
April-May	+ 5
May-June	+ 1
June-July	— 5

During the past month the Commissioner General had to intervene in a matter of considerable importance as far as the Austrian budget is concerned—namely, the ratification by the Austrian Parliament of the agreement of March 20th, 1923, concluded at Rome which settles certain questions relative to the Austrian Southern railway. As the financial charges arising out of this agreement for the Austrian budget are not provided under the League financial scheme the ratification has been deferred until the Commissioner General has thoroughly studied the question

Import and export figures for the first six months of 1923 are as follows

Imports	103 671 000 gold crowns
Exports	427 171 000 „
Deficit	<u>276 550 000 gold crowns</u>

as compared with a deficit of 300 000 000 gold crowns for the same period of the preceding year

Before adjourning, the Austrian National Council fixed the date of the general elections, which, according to the Austrian constitution, take place in October

IV — General Questions

1 — REDUCTION OF ARMAMENTS

Several current questions relating to the reduction of armaments were considered during the month at meetings of the Council, the Permanent Advisory Commission of military, naval and air officers who serve as representatives of their Governments, and a special Committee of the Temporary Mixed Commission representative of the main elements in international life

The most important question was that of the preparation of a draft Treaty of Mutual Guarantee originally discussed at the Third Assembly and entrusted by that body to the Temporary Mixed Commission for report to the Fourth Assembly in September. Two such draft treaties have been studied during the winter.

The first, presented by Lord Robert Cecil and embodying a general guarantee, came before the Council on a report from the Permanent Advisory Committee which had been asked to study its technical details. The Council decided to forward this report for information to all States Members of the League.

The second, presented by Lt. Colonel Requin and based on a combination of partial treaties and a general guarantee, was considered at a meeting of the Permanent Advisory Committee at Geneva from July 5-7. This Committee drew up a report which in turn was forwarded to a special Committee of the Temporary Commission which met in London on the 16th.

This latter body, after considering the report of the technical experts, agreed upon a new combined text which it will submit to a plenary session of the Temporary Mixed Commission meeting in Paris on August 3rd, in order to draw up a final report for the Assembly. The membership of the Committee which met in London, was composed as follows: Lord Robert Cecil (chairman), Count Bonin Longare, M. Jouhaux, Admiral Kiyokawa, Colonel Lohner, Admiral de Magaz, General de Marinis, Lt. Colonel Requin, Admiral Segrave and M. van Zeland.

Both Committees also studied a proposal made by Lord Robert Cecil for the establishment of demilitarised zones between States with a view to avoiding wars and to facilitating the definition of the aggressor State in case of hostilities. Their reports will be examined by the plenary session of the Temporary Mixed Commission in August.

Finally, the Council at its meeting on July 3rd adopted a proposal submitted by the Temporary Mixed Commission that immediate application be given to the last paragraph of Article VIII of the Covenant which states that "Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air programmes, and the condition of such of their industries as are adaptable to warlike purposes". In the opinion of the Temporary Mixed Commission, some degree of exchange of information might be achieved through the publication by the Secretariat of a year book based on public and official documents and bringing together in accessible form the military data mentioned in this paragraph of the Covenant. The Council adopted this suggestion and authorised the Secretariat to publish this yearbook on these lines.

The Council had also to consider a proposal, made by the Temporary Mixed Commission to the effect that all States non Members of the League should be invited to state in what way they would be willing to co-operate in an international solution of the problem of the control of the traffic in raw materials and of the private manufacture of arms. As a letter to this effect had been previously sent by the President

of the Council to the Government of the United States the Council decided to postpone its decision on the suggestion of the Commission until an answer (1) from the Government of the United States had been received. In dealing with the questions of a statistical inquiry on peace time armaments and of chemical warfare the Council adopted resolutions giving effect to the proposals of the Temporary Mixed Commission at its June session (2).

2 — INTERNATIONAL AGREEMENTS

a) *Amendment to Article X of the Covenant* — Statements by a considerable number of States Members of the League on the proposed Canadian amendment to Article X of the Covenant concerning the political independence and territorial integrity of States Members of the League were noted by the Council at its July session (3). These opinions had been received by the Council as a result of the request of the previous Assembly that the Council study the Canadian proposal and report to the Fourth Assembly. They follow three general lines: the first supporting the Canadian proposal as a correct interpretation of the Article; the second opposing it as possibly weakening a highly desirable guarantee of security; and the third suggesting postponement until the question of a Treaty of Mutual Guarantee shall have been settled. The Council decided to forward all these reports to the Fourth Assembly.

b) *Ratification of Amendments to the Covenant* — The British Government deposited with the Secretariat on July 5th the instruments of ratification of the amendment to Article XII of the Covenant (Arbitration and Judicial Settlement of Disputes).

In a telegram dated July 7th the Estonian Minister for Foreign Affairs informed the Secretariat that the Estonian Parliament had ratified the protocol relative to the amendments to the following Articles of the Covenant:

IV (Election of Non Permanent Members of the Council) VI (Allocation of Expenses) XII, XIII, XV (Arbitration and Judicial Settlement of Disputes) XVI (Economic Blockade) and XXVI (Ratification of Amendments).

c) *Registration of Treaties and International Agreements* — The following treaties and international agreements were registered with the Secretariat during the month:

The Franco Polish political agreement of February 19th 1921, which was ratified on June 27th 1922 and registered at the request of the High Contracting Parties,

A provisional commercial agreement between Denmark and Russia ratified at Moscow on June 13th 1923 and registered at the request of the Danish Minister at Berne,

An Anglo Portuguese agreement for the renewal of Part I of the Transvaal Mozambique Convention signed at Lisbon on March 31st 1923 and presented for registration by the British Foreign Office.

Two conventions concluded by Denmark and Finland on reciprocal extradition of criminals and the provision postal franchise of sample goods.

A Navigation Convention and Final Protocol ratified by Finland and Sweden on June 27th 1923 and registered at the request of the Swedish Foreign Minister and

A Protocol relating to the prolongation of the Roumanian Czechoslovak Defensive Alliance (Bucarest, April 23rd 1921) signed at Prague on May 7th 1923 and presented for registration by the High Contracting Parties.

(1) See *Monthly Summary* Vol III No 6 p 10
(2) See *Monthly Summary* Vol III No 6 p 10
(3) See *Monthly Summary* Vol III No 6 p 10

The Norwegian Ministry for Foreign Affairs, in a letter dated June 20th, notified the Secretariat of the ratification by His Majesty the King of Norway of the Barcelona Conventions on the Freedom of Communications and Transit.

d) *Obligatory arbitration between Austria and Hungary* — The text of the Treaty of obligatory arbitration concluded between Austria and Hungary was registered with the Secretariat on July 23rd at the request of the Hungarian Government.

By this Treaty the contracting parties obligate themselves in case a dispute should arise between them in the future to attempt first to settle the dispute by friendly agreement. In case the dispute, whatever its nature, cannot be settled in this manner, it is to be submitted by agreement to one or several arbitrators specially selected for the purpose. As a general rule the cities of Vienna and of Budapest are foreseen alternately as the seat of this arbitral tribunal. Should it be desirable, the two Governments may submit such disputes to the Permanent Court of International Justice.

3 — FINANCIAL QUESTIONS

The budget for 1924, together with the report of the Supervisory Commission and the observations on the budget presented by Members of the Council, was forwarded by the Council during its July session to all States Members of the League.

The budgetary estimates for 1924 amount to 24,988,075 Swiss francs, representing a decrease of nearly 700,000 Swiss francs on the total for 1923.

4 — INTERNATIONAL BUREAUX

a) *Request of the International Committee of Agriculture* — At its meeting of July 2nd, the Council adopted the view of the Economic Committee regarding the request of the International Committee on Agriculture to be taken under the direction of the League. While fully recognising the value of the work of the International Committee of Agriculture and its importance from the point of view of agricultural interests, the Council considered that it was impossible to place this Committee under the authority of the League of Nations.

The Council was of the opinion that it would not be desirable to risk diminishing the activity of voluntary international organisations by even an appearance of official supervision, and that the special recognition provided for by Article XXIV of the Covenant should be granted only to international bodies set up by general treaties to deal with economic questions. At the same time, the Council emphasised the value it set on the collaboration of unofficial organisations in the study of special questions, and on the possibility of consulting those bodies without prejudicing their autonomy.

b) *Quarterly Bulletin of Information on the Work of International Organizations* — The fourth number of the Quarterly Bulletin of Information on the Work of International Organizations, which was published in July, contains reports on forty international conferences and congresses held since last April. It further gives information on forthcoming congresses, *inter alia*, those of the International Academic Union, the Union for the International Convention on Railway Goods Traffic, the International Woman Suffrage Alliance, the World Alliance of the Y. M. C. A., the International Union of Pure and Applied Chemistry, the Academy of International Law, the International Air Congress, the International Navigation Congress, the World Esperantist Congress, the Pan Pacific Science Congress, the International Red Cross Committee, the International Statistical Institute and the World Dairy Congress.

V — Technical Organisations

1 — THE PROVISIONAL HEALTH ORGANISATION

a) *Report of the League Health Committee* — Two important resolutions, one relative to the further co-operation of the International Health Board of the Rockefeller Foundation with the League Health Organisation, and the other concerning the constitution of the Permanent Health Organisation, were adopted by the Council at its July session as a result of its consideration of the report of the Health Committee on its meeting in Paris from May 26th to June 6th.

The Rockefeller Foundation — The Rockefeller Foundation, through the International Health Board, had in 1922 placed at the disposal of the Health Organisation of the League a yearly grant of 32 840 dollars for five years beginning January 1st, 1923, for the development of the Service of Epidemiological Intelligence and Public Health Statistics. It was soon realised that one of the most important fields of activity of this service is the unification of methods of compiling health statistics. In order to assist further the League Health Organisation in this specific work, the Rockefeller Foundation in 1923 placed at its disposal an additional grant for the Service of Epidemiological Intelligence and Public Health Statistics of 10 500 dollars for 1923, and 21,000 dollars for 1924 to be used in bringing the medical statisticians of different countries into more frequent contact with each other, to ensure a better distribution of work and eliminate useless difference which entails loss of time. In its resolution on this subject, the Council thanked the Rockefeller Foundation for its generous gift, and authorised the Medical Director to enter into formal communication with the International Health Board of the Rockefeller Foundation for the purpose of determining with the concurrence of the President of the Health Committee the outlines of the scheme by which the new contribution might be most fruitfully utilised.

The Permanent Health Committee — The Council further approved the draft constitution of the Permanent Health Organisation, which it decided to submit to the Fourth Assembly. In conformity with the resolutions of the Third Assembly the Council had on January 30th requested a Joint Committee of the League Health Committee and the *Office International d'Hygiène Publique* to draw up this constitution with a view to avoiding duplication of work between the two organisations concerned. The scheme worked out and unanimously adopted by this Joint Committee on May 27th, proposed the establishment of close relations between the League Health Committee and the *Office International d'Hygiène Publique* by the constitution of the League Health Organisation on lines corresponding to those of the other technical services of the League. Under this proposed scheme, the Permanent Health Organisation would therefore include

- a) A General Advisory Health Council,
- b) A Standing Health Committee
- c) A Health Section of the Secretariat of the League

The Committee of the *Office International d'Hygiène Publique* would act as the General Advisory Health Council. It would remain autonomous and retain its seat in Paris without modification in its constitution or functions.

The Standing Health Committee would consist of the President of the Committee of the *Office International d'Hygiène Publique* and fifteen other members (public health experts or officers). Nine of these members would be appointed

individually for three years by the Committee of the *Office International* in such a way that each State which is a permanent Member of the Council of the League would be represented on the Standing Health Committee. The remaining six members would be appointed, also for a period of three years, by the Council of the League after consultation with the Standing Health Committee.

This Committee may be supplemented by the addition of not more than four public health assessors or experts, these assessors to be appointed by the Council of the League on the nomination of the Standing Health Committee and to be considered as fully effective members.

The General Advisory Health Council would consider, discuss, advise or report on any question submitted by the League Standing Health Committee. The Standing Health Committee would direct the health work of the League, and, in particular, through a Medical Director, the work of the Health Section of the Secretariat. It would consider and report to the Council on any public health matter concerning the League which may be submitted to it or initiated by the Standing Health Committee itself.

The Health Section of the Secretariat of the League would form the Secretariat of the League Health Organisation.

b) *The first Monthly Epidemiological Report* — The first issue of the Monthly Epidemiological Report containing current official data forwarded to the Health Section of the League on the occurrence of notifiable diseases in a considerable number of countries, appeared during the month of July. This publication is a development of the Epidemiological Report, fifty-three numbers of which have been issued from time to time during the past eighteen months. Its purpose is to effect an interchange of information for the use of the various Ministries of Health and others interested by compiling and summarising each month in convenient form the data received.

This first issue contains current reports of notifications of epidemic diseases from forty-four countries. While the number of diseases included varied for different countries because of differences in the laws governing notification, the information was fairly general regarding plague, cholera, typhus and relapsing fever, influenza, mumps, cerebrospinal meningitis, acute poliomyelitis, diphtheria, scarlet fever and enteric fever.

In order to render the statistics as useful as possible for epidemiological purposes, the reports for preceding months or weeks are also published to indicate the general trend of each disease for each country. For purposes of comparison, the figure for the week or month for the preceding year, corresponding to the period for which the latest report was received, is also included for each disease in each country.

In addition to current reports of notifiable diseases the current mortality rate (from all causes) is published in a similar manner for two hundred and sixty cities in different parts of the world, including the group of cities in England and Wales, Germany, Switzerland, and the United States.

Special tables and notes are also given on official public health statistics from various countries. The July issue, for example, contained a resumé of the recent course of encephalitis lethargica in European countries and the United States, this disease having shown a tendency to manifest a slight epidemic wave during the past few months.

2 — THE ECONOMIC AND FINANCIAL ORGANISATION

a) *The Reports of the Economic and Financial Committees* — Two important resolutions on questions of international commerce were passed by the Council on July 22nd on the recommendation of the Economic and Financial Committees.

Arbitration Clause — First, the Council decided to draw the special attention of States Members of the League to a draft Protocol prepared by the Economic Committee ⁽¹⁾ on the question of arbitration clauses in commercial contracts and to invite them to give their delegates to the Fourth Assembly the necessary instructions to sign this Protocol. Special attention was drawn by the Council to the importance attached in commercial circles to such clauses which are considered as a *means of facilitating international trade*.

Treatment of Foreign Nationals and Enterprises — Secondly, the Council also decided to recommend to all States Members of the League to put into practice the principles worked out by the Economic Committee ⁽²⁾ with regard to the Treatment of foreign nationals and enterprises. The Council was of the opinion that the granting of the necessary legal, administrative, fiscal and judicial guarantees to nationals, firms or enterprises of States Members of the League who are allowed to carry on the commerce, industry or occupation within the territory of other States Members was one of the requirements of international economic co-operation.

The Customs Conference — At its meeting of July 7th the Council decided to invite Egypt, Tunis and Morocco States with a special customs regime to attend the International Conference on Customs Formalities which will begin at Geneva on October 15th next.

b) *Inquiry on Unemployment* — At its meeting of July 2nd, the Council approved the views expressed in a letter addressed on May 19th by the Director of the Economic and Financial Section to the Director of the International Labour Office, regarding the collaboration to be established between those two organisations on the subject of unemployment.

This letter gives effect to a Resolution of the third Assembly requesting the Economic and Financial Organisation to determine the scope and method of its collaboration in the inquiry on unemployment to be conducted by the International Labour Office in accordance with the decision of the third General Labour Conference (November 1921). The fourth Conference which took place in November 1922 instructed the International Labour Office to proceed with its investigation in co-operation with the League Economic and Financial Organisation.

The Council expressed the wish that no effort should be spared to remedy a state of affairs which weighed heavily on the working classes.

c) *Memorandum on Currency* — A second memorandum on currency was issued in July by the Financial Section in continuation of the volume published last year. This year's volume containing information with reference to fifty one countries, including eleven South and Central American States, is still more comprehensive than that of last year which almost immediately ran into a second edition.

The volume opens with an introduction analysing the general monetary movements since the end of 1919. It then attempts to present the most important currency statistics of the world in concise form, giving tables showing exchange rates, discount rates, note regulations, gold reserves, deposits in central banks and deposits in joint stock banks for a large number of countries. These tables are accompanied by full notes giving on the one hand an explanation of the character of the statistics shown, and on the other a summary of the most important changes in currency systems which have taken place during the last few years.

In addition to these currency statistics other important tables are given. One contains a collection of some sixty six index numbers of wholesale prices, and

(1) See Monthly Summary Vol. III No. 5 p. 104.

(2) See Monthly Summary Vol. III No. 6 p. 104.

another an interesting comparison of the actual exchange rates of various countries on the United States and the relative purchasing power of the United States and the other currencies considered, as measured by the index numbers

d) *Unification of Legislation on Bills of Exchange*. — The Committee of Experts appointed to study the question of the unification of legislation concerning bills of exchange met at the Hague in July. The members present were Sir Macleanie Chalmers, Dr. Joseph Göttsch, President of the Royal Dutch Commission for Private Legislation, Professor Lyon Caen (Paris) and Professor Franz Klein (Vienna).

The Committee drew up a report for the Economic Committee, emphasising the desirability of a fresh conference on the subject, in order to pursue the work initiated at the Hague in 1910 and 1912. A basis for discussion would be furnished by the convention signed at that moment by the representatives of twenty-seven States.

3 — COMMUNICATIONS AND TRANSIT

The Wireless Conference. — On July 16th and 17th a Committee of Experts, composed of representatives of the British, French and Italian telegraph services, met in London, as a result of a resolution voted by the Advisory and Technical Committee on Communications and Transit, with the object of examining the proposals contained in the memorandum presented by the Italian Government to the Council of the League on April 21st.

The following members were present

Mr. Brown, Assistant Secretary, General Post Office (English)

M. Brion, Directeur de l'Exploitation télégraphique, Sous-Secrétariat des Postes et Télégraphes (French)

M. Angelini, Director of Electric Communications, Postal Ministry, Rome (Italian)

This Committee decided that it was desirable to draft a system of international regulations applicable to all wireless communications, in connection with a new international regulation of telegraphs. The Committee was therefore of opinion that an international conference should be summoned to meet in the first half of 1924, dealing both with telegraphs and wireless telegraphy, to which as large a number of States as possible should be invited, including the United States and Germany.

The French Government, as a result of the work accomplished at the Washington Conference on Wireless, has already issued a provisional invitation for another conference on this subject to meet in Paris, and is now negotiating with the United States in order to secure their participation. It was consequently decided that, if these negotiations had led to no positive result by October 15th, the Committee of Experts should meet again to reconsider the situation and once more examine the Italian proposal.

VI — Administrative Questions

1 — DANZIG

a) *General questions*. — Among the questions concerning the Free City which were discussed at the twenty-fifth session of the Council figures a general note dated June 20th from the Polish Minister for Foreign Affairs on the various differences which had arisen between Poland and Danzig, and a note dated June 4th from the

League High Commissioner, dealing with the competence of the High Commissioner and questions relating thereto

At its meeting of July 4th the Council heard the High Commissioner, Mr Mac Donnell, M Plucinski, representing the Polish Government, and Dr Sahm, President of the Senat of the Free City. On this occasion the Council assured the Polish Government of its solicitude for the development of the relations between the Polish Republic and the Free City, and of its desire that Poland's legitimate aspirations should be realised in their entirety, adding that it desired that all questions raised between the Free City and Poland should be regarded from the point of view of the common interests of the two states.

The Council further stated that the economic expansion of Poland was a cause of gratification to all Members of the League, and that it had not forgotten that it was a necessity for Poland to be able to develop her internal economic life at the same time as her foreign trade and her free access to the sea through the Free City of Danzig. Poland and Danzig should co-operate in the common task of developing the port of Danzig to the great advantage of both countries.

With a view to dispelling a general feeling of uneasiness to which attention had been drawn by the Polish note the Council recommended both Parties to submit promptly to the High Commissioner, in conformity with the procedure specified in the treaties, any serious grievance which they still entertained. The Council would, as hitherto, always be ready to examine without delay any question submitted to it which had been previously dealt with by the High Commissioner. It was needless to emphasise that, in order to facilitate the task of conciliation nothing should be done which might prejudice the solution of disputes through intimate and fruitful co-operation between the two States. The technical services of the Secretariat would be placed at the disposal of the High Commissioner and the Parties for assistance in any negotiations which might take place entirely or partly at Geneva.

In conformity with this recommendation, negotiations were begun at Geneva immediately after the Council session, and will be continued shortly at Danzig.

In regard to the competence of the High Commissioner, the Council judged that in practice it might be possible to establish more definite rules but that in principle the High Commissioner should himself decide in each case whether he is competent to pronounce a decision on a dispute between Poland and Danzig. If in any particular cases the one Government or the other feels bound to question the competence of the High Commissioner, it will be able to appeal to the Council.

The question of the exact relation between Article 104 of the Treaty of Versailles and the Polish Danzig Convention concluded at Paris on November 9th, 1920, was also considered by the Council which decided that the latter agreement constituted a perfectly valid legal basis for the relations between the Republic and the Free City but that in the event of doubt as to the construction to be placed on any clause of the agreement recourse might be had to Article 104 of the Treaty of Versailles.

Other questions — At the suggestion of the Polish Government, the Council decided to postpone to its next session the discussion of four questions upon which the Parties had appealed to the Council against decisions of the High Commissioner. These questions concern

- a) Property transferred to the Harbour Board,
- b) Visas free for Danzig nationals crossing the Polish frontier when travelling to other countries,
- c) The financial situation of the Harbour Board (1), and
- d) That Board's right to contract loans

(1) At the meeting of the Council on July 5th the Polish representative declared that Poland was ready to contribute on account one half of the expenditure of the Harbour Board until the conclusion of a final arrangement.

In connection with the financial situation of the Free City, the Council requested the Secretary General to thank the Reparations Commission for its letter of May 18th by which this Commission had informed the Council that, in order to facilitate, as far as it lay in its power, the conclusion of such financial arrangements as the League might deem necessary, the Reparations Commission would not claim any special security for the debt due to it. The Council also requested the Secretary General to send at once to the Conference of Ambassadors, as requested, any information which might throw light on this question, expressing the hope that, in view of the urgency of the situation the Conference would consider whether it could not take a decision as soon as possible, and whether it would be willing not to raise any obstacle to the issue of the loan which the Free City of Danzig proposed to contract.

2 — THE SAAR

1) *Council Inquiry* — A proposal of the British Government for an enquiry into the general situation of the Saar territory and, more especially, the recent events which resulted in the taking of exceptional measures by the Governing Commission, was considered by the Council at its twenty-fifth session.

At a public meeting on July 3rd, Lord Robert Cecil, M. Hanotaux, and Mr. Branting, after explaining their views on the subject, agreed as to the form which the enquiry should take. The enquiry was subsequently pursued at two meetings on July 6th in the presence of all the members of the Saar Governing Commission, who had been summoned to Geneva. At a second public meeting on July 7th, the Council adopted unanimously a resolution prepared by a drafting Committee composed of M. Hymans, M. Quinones de Leon and the Director of the Administrative Commission's Section of the Secretariat.

In his statement to the Council on July 3rd, Lord Robert Cecil endeavoured to explain the duties of the Commission under the Treaty of Versailles, the difficulties encountered by the Commission in the execution of these duties and the right of the Council to supervise the Government of the Saar.

Lord Robert Cecil was of opinion that the Saar Governing Commission had shown considerable administrative ability, and that, in view of the fact that, until quite recently the territory had been free from anything in the nature of disturbances, its Government might be considered as a good Government. He felt, however, that it was the duty of the Council to give this Government its closest attention when there was any ground for thinking, honestly and reasonably, that a mistake had been made. He drew attention to certain points which had led his Government to the conclusion that it would be desirable to make an enquiry, at the present moment, and particularly to certain exceptional measures which the Commission had recently found it necessary to take and which had formed the subject of considerable public discussion in England and elsewhere. He did not wish to propose a form of enquiry which would make the task of the Commission more difficult, but suggested that the Council should itself request the attendance of all the members of the Governing Commission at Geneva and hold it with their assistance. This suggestion was approved by all the members of the Council.

M. Hanotaux, speaking after Lord Robert Cecil, recalled that, during the entire period which elapsed between the constitution of the Commission and the recent strike, many tributes had been paid by the Assembly and the Council to the liberal policy displayed by the Commission and to its successful administration. The end of the strike and the improvement of the situation were largely due, added M. Hanotaux, to the foresight and wisdom of the Governing Commission.

M. Hanotaux drew attention to the fact that the Commission was a Government — a Government which, in certain circumstances, has the right to legislate. He stated that he was in one with the British Government in its desire for an attentive enquiry into the whole matter, but warned the Council of two dangers, first,

of giving the impression that it was governing from Geneva and simply governing with texts — in order to govern it was necessary to be on the spot and understand the psychology of the people —, second of losing sight of the propaganda directed not only against the Governing Commission, but also against the League.

Mr Branting supported Lord Robert Cecil's proposal for an enquiry into the administration of the Saar Territory. Such enquiry, as stated by Lord Robert Cecil and M Hanotaux, would doubtless show that the administration had been praiseworthy from a technical point of view. Mr Branting was of opinion that a democratic development of the present regime within the limits of the Treaty would result in an improvement of the position. In order that the Council might be able to form an opinion on this aspect of the question, Mr Branting proposed that some representatives of the population of the Saar should be invited to present their point of view before the Council.

The Council's enquiry was conducted in the presence of the members of the Commission — M Rault, Chairman, M Lambert, M de Molte, Huntfeldt, M Land, M Waugh, each of whom gave information to the Council with regard to different questions with which he was specially concerned. The discussion bore mainly on the duties of the Commission as outlined by the Treaty: the composition of the Commission, the appointment of its members, its machinery and methods, the distribution of offices among its members, the position of the French member, the introduction of the franc as sole legal coinage in the territory, public opinion in the territory, the propaganda, the number, duties and attitude of the French troops in the territory, the development of the local gendarmerie, the circumstances in which the March and June decrees for the maintenance of order and public security, and the May decree on peaceful picketing were promulgated. In this connection M Rault was able to inform the Council that the Commission had recently promulgated a decree of amnesty for all infringements of the March and May decrees.

The resolution adopted by the Council as a result of this enquiry recalls that the system of government in the Saar was established under the treaty in order to assure the rights and well being of the population and to guarantee to France complete freedom in working the French State Mines upon which the prosperity of the country depends. It further recalls that the Commission is responsible to the League for the execution of its duties in accordance with the stipulations of the Treaty of Versailles. It is in all cases collectively responsible for the execution of those duties which it assigns to its individual members. The executive of the Commission is the chairman.

In regard to the exceptional measures which the Commission has deemed necessary to take, the Council leaves it to the discretion of the Commission to decide when it may be advisable to return to the normal course of law. The Council appreciates the economic considerations which have led the Commission to introduce the franc as sole legal currency in the Saar.

With regard to the question of the French troops and the development of the local gendarmerie, the Council recalls that it has on various occasions stated that the withdrawal of the foreign garrison would be desirable as soon as the development of the local gendarmerie permitted this to be done, and refers to its resolution of April 1923 requesting the Commission to submit its programme for increasing the strength of the gendarmerie.

To conclude, the Council once more expresses its great appreciation of the administrative work achieved by the Commission during three and a half years in particularly difficult circumstances, assuring the Commission of its wholehearted support in the accomplishment of the task entrusted to it. M Hanotaux stated that he adhered to this resolution in a spirit of cordial collaboration and with a desire for peace. Alluding to the difficulties of the Commission's task and to the recent crisis in the Saar territory, he said that the unanimity expressed by the Council would show the Commission and the population that mutual understanding and mutual concessions are the two essential conditions of harmony.

Jord Robert Coil endorsed M Hanotaux's statement. He emphasised several points of the discussion — The value of the enquiry which had been conducted by the Council, the responsibility of the Commission collectively and of each member to the Council of the League and to no other body, the possibility of withdrawal of all exceptional legislation, the economic advantages and the legality of the introduction of the franc as sole legal currency in the territory, the difficulties with which the Commission was faced, the necessity for the Commission of the full support of the Council in facing those difficulties with justice and with strict regard to the provisions of the Treaty, and the appeasement by the decree of amnesty of whatever unrest might still subsist in the territory.

M Branting emphasised particularly passages of the resolution relating to the collective responsibility of the Commission to the Council and its independence in regard to the various Governments. He expressed the hope that the action of the Council would be instrumental in improving the relations between the Commission and the Saar population. "It was in the interests of the population," said M Branting, "that I suggested that certain of the elected representatives of the Saar inhabitants should also appear before the Council. To give a hearing to such representatives would certainly have made a favourable impression in the Saar Territory and helped to establish a closer relationship between governors and governed." In view, however, of the exact and detailed work which the enquiry had been pursued by the Council, M Branting agreed not to insist on this point.

b) *The Currency Question — Reply of the Saar Commission to the German Government* (1). In a letter dated July 25th 1924, the Governing Commission forwarded to the Secretary General a copy of a note that it had sent to the German Government in reply to the protest of that Government with regard to the introduction of the franc as the sole legal currency in the Saar territory. The note, to which was appended an extract from the Commission's 14th periodical report giving the legal reasons upon which the currency decree was based, declared that the Governing Commission had no intention of cancelling its recent decree on this subject.

After reviewing the general powers of the Governing Commission in this connection and noting that the Commission had the right to change the currency regulation through its power to alter legislation, it was stated that no special provisions of the Treaty (such as those concerning the language in the schools of the country) limited the authority of the Commission in this respect and that analogous action had in fact previously been taken in providing for "the two currencies of the country" in the civil and commercial code. Moreover, the French franc, under paragraph 32 of the Treaty is placed in a privileged position. That paragraph, according to the report, does not imply that the mark must be in circulation any more than any other currency. Furthermore, it is pointed out that the Governing Commission has power to interpret this paragraph and that the Council of the League in the report adopted on June 20, 1921, recognised in advance the legality of any measure by which any other currency might be substituted for the mark.

Events — Monthly Summary, Vol III, No 6 page 120 & 5 read "After explaining the causes of the strike, the first since the Governing Commission took up office in February 1920, the Report points out that it broke out *subsequent to a demand of an increase of wages*, in spite of repeated efforts on the part of the Chairman of the Commission."

1) See *Monthly Summary* Vol III, No 6, p. 131.

VII — Protection of Minorities

Questions relating to the protection of minorities in Albania, Esthonia, Latvia, Lithuania and Poland were dealt with by the Council at its twenty fifth session

1 — MINORITIES IN ALBANIA

The Council decided to place on the agenda of its next session the examination of a law regarding the legal status of religious communities in Albania voted by the Albanian Parliament. The Albanian Government has notified the Council that the text of this law will be forwarded

By its statement of October 2nd, 1921, the Albanian Government undertook to furnish the Council with detailed information on the legal status of religious communities in its territory

2 — MINORITIES IN ESTHONIA

A report drawn up by the Brazilian representative on the negotiations with the Esthonian Government regarding its minorities policy was approved by the Council. The discussion of this question which was postponed on account of ministerial changes in Esthonia, will take place at the next session of the Council and at the Assembly

3 — MINORITIES IN LATVIA

The Latvian representative Dr. Walteis, read before the Council a declaration to the effect that his Government recognised the Council's right to resume negotiations regarding the protection of minorities in Latvia, should the status of minorities in that country appear incompatible with the general principles of the minorities treaties

From now on, petitions to the League regarding members of racial, linguistic or religious minorities in Latvia will be forwarded to the Latvian Government for its comments, that Government agreeing in principle to supply the Council with all necessary information in the event of a question relating to minorities in Latvia being brought forward by one of its members

Should opinions differ on legal or practical points in connection with the statement of the Latvian representative, the Latvian Government and the Council reserve respectively their rights to request that such difference be referred to the Permanent Court of International Justice for an advisory opinion

4 — MINORITIES IN LITHUANIA

The Council requested the Secretary General to inform it of the ratification by the Lithuanian Government of its declaration of May 12th, 1922, regarding the question of the protection of minorities in Lithuania, in order that the Council might take official note of this fact at its next session

5 — MINORITIES IN POLAND

As regards certain questions relating to persons of German origin domiciled in territories ceded to Poland, the Council decided to request the Permanent Court

or International Justice, which is still sitting, for an advisory opinion on the construction to be placed on Article IV of the Minorities Treaty between Poland and the Principal Allied Powers, under which Poland agrees to recognise as Polish citizens persons of German, Austrian, Hungarian or Russian origin born on Polish soil of parents domiciled in Polish territory, even if such person was not resident in Poland at the moment of the coming into force of the treaty.

The Polish Government deems that it is justified in refusing to confer Polish nationality on former German nationals, whose parents were resident in Polish territory neither at the moment of the birth of the applicants nor at the date of the entry in force of the treaty. The question to be referred to the Permanent Court is therefore twofold, concerning on the one hand the League's competence in the matter, and, on the other, in the event of an affirmative decision in the first case, the interpretation of Article IV of the Minorities Treaty, i. e. whether the right to Polish nationality is based on the residence of the parents of the applicant at the moment of his birth or at the date of the coming into force of the treaty.

VIII — Political Questions

EXPROPRIATION OF THE PROPERTY OF HUNGARIAN OPTANTS BY THE ROUMANIAN GOVERNMENT

The question of the expropriation of the property of Hungarian optants by the Roumanian Government was considered at two public meetings by the Council, a general recommendation for conciliation presented by M. Adatci and M. Hyman being finally adopted.

At its foregoing session⁽¹⁾, the Council had requested M. Adatci to enter into negotiations on the subject with the Hungarian and Roumanian Governments, in order to reach, if possible, direct agreement between the Parties, and to enable M. Adatci to prepare material for further discussion by the Council. In the course of the negotiations, which took place at Brussels, the request of the Hungarian Government was studied and discussed anew. Statements were filed by both Parties, M. Adatci joining to the declarations a general recommendation for conciliation. The rapporteur considered that, in such a case, the Council should not endeavour to reach an abstract legal solution, but practice measures of satisfaction, with a view to a peaceful settlement.

In the interval between the Brussels meeting and the Council session, the Hungarian Government made known that, in its opinion, the negotiations had failed, and that, despite the fact that the text of the report had been signed by its representative, the Government was not able to accept M. Adatci's recommendation.

At its twenty-fifth session, the Council heard Count Apponyi and M. Gajzago for the Hungarian Government, M. Titulesco representing Roumania. Count Apponyi dealt mainly with the legal and moral aspects of the question, while M. Titulesco confined himself to explaining his Government's reasons for maintaining the principles of the agreement drawn up at Brussels.

In its resolution the Council expressed the hope that both Governments would do their utmost to prevent the question of the Hungarian optants from becoming a disturbing influence in the relations between their countries. The Council invited the Hungarian Government, after the efforts made by both Parties to avoid any mis-
understanding on the subject, to do its best to reassure its nationals, at the same time requesting the Roumanian Government to remain faithful to the treaties and prin-

(1) See *Annuaire de la Société*, Vol. III, No. 4, p. 24.

ciples of justice upon which it declared that its agrarian legislation was founded by giving proof of its goodwill in regard to the interests of the Hungarian optants.

This resolution was voted unanimously by the Council and adopted by the Roumanian delegate; the Hungarian representatives abstaining from voting. Count Apponyi stated that his Government was by no means indifferent to the Council's appeal for conciliation. It was, however, impossible for his Government to agree to it unconditionally as it was absolutely necessary that the Hungarian people should be persuaded that their Government had not abandoned the rights of its nationals. Count Apponyi added that his Government reserved its right to take future steps authorised by the treaties and the Covenant of the League.

IX — Social and Humanitarian Questions

1 — REFUGEES

1) *Greek Refugees* — A detailed plan stating the conditions under which the Council of the League would cooperate with the Greek Government for the solution of the problem of the million refugees in Greece was completed during the July session of the Council and transmitted to that Government. This plan consists of two parts: first, the financial steps necessary for the raising of an international loan; and second, a project for the wholesale settlement of the refugees should the loan be raised.

The Greek refugees question came prominently before the Council at its session in April. At that time the Council had before it the request of the Greek Government for its cooperation in the raising of a large loan, together with a report by Dr. Nansen's relief organisation, which, in addition to summarising its work, mentioned that the Secretary of State of the United States had notified the British, French and Italian Governments that the American relief agencies must bring to an end on June 30th the very large relief work which they had been doing in that country, unless some general constructive plan for the complete settlement of the problem could be worked out.

The Council thereupon initiated a double enquiry: on the one hand through the Financial Committee as to the prospects of a loan; and on the other through Dr. Nansen's Organisation as to whether a comprehensive plan of settlement were possible. Colonel Proctor went to Greece as representative of Dr. Nansen to study the best method of finally caring for these refugees, in order that they might devote themselves to productive agricultural or industrial work. Similarly, M. P. Menier went to Greece as representative of the Financial Committee to examine the proposals made by the Greek Government in connection with the loan, especially the securities suggested.

At the last session of the Council reports were presented both by Dr. Nansen's organisation and by the Financial Committee. These reports were first studied by a sub-committee of the Council, consisting of the British, French and Italian Members, together with a representative of Greece and an unofficial representative of the United States.

On the basis of the Sub-Committee's report the Council informed the Greek Government that the securities offered by it seemed such as to constitute sufficient guarantee for the issue of a loan; and that it would be disposed to lend its cooperation for the settlement of the refugee problem if the Greek Government could reach agreement with Greek and foreign bankers for the issue of a loan.

If the loan is arranged it is contemplated that a settlement scheme could be carried out under the authority of an institution in which the directing board would

canist, not only of Greek Government representatives, but also of members representing the American relief agencies and the League.

It is further contemplated that this institution would have at its disposal *land suitable for cultivation by the refugees*. The details of the scheme will be further worked out as the negotiations for the loan, which, of course, is a prior condition of the whole scheme, proceed. Among the securities contemplated, apart from the land itself, are a number of Greek Government revenues controlled by an independent authority. The exact selection from among the revenues available cannot, however, be made until the discussions of the bankers have proceeded.

Action since the Council — Immediately after the Council session and in response to the request of the Council to know what sums the Greek Government could give for the provisional aid of the refugees until the plan of relief comes into operation, the Greek Government informed the Secretary General that it could devote ten million drachma a month to this work.

British and other organisations have promised to undertake the responsibility of the maintenance of 50,000 refugees and will make a serious effort to raise funds for a still larger number. Scandinavian organisations have also promised substantial support, the extent of which has not yet been defined.

Finally, the Greek Government has begun negotiations with bankers both at Athens and abroad.

ii. b) *Russian Refugees* — Dr Nansen reports the work of the High Commissioner for Russian refugees since the last Council session was noted and approved by the Council at its meeting of July 7th.

The main part of this report deals with the situation of Russian refugees in Constantinople, laying particular stress on the co-operation of the American Relief Administration and the American Red Cross. By the help of these organisations, six hundred refugees have already been evacuated to the United States, and it is hoped that twelve hundred more will be able to emigrate to America in the quota opening on July 1st. Moreover, the Canadian Government has agreed to admit a thousand refugees on similar terms. A letter from Admiral Bristol, High Commissioner for the United States at Constantinople, congratulating the League High Commissioner on the success of its joint work with the American organisations is attached to the report.

Very satisfactory progress is shown in the arrangements for the issue of identity certificates to Russian refugees in various countries, nearly all members of the League and the German Government having adopted this system. The question of Russian refugee children, 140,000 of whom are spread over Europe and the majority of whom are practically destitute, is also dealt with in the report.

Regarding the legal protection and material aid of 12,000 Russian refugees who had fled from Vladivostok to China, Korea and Japan, the High Commissioner has entered into relations with the representative of the Japanese and Chinese Governments. Both Governments have emphasised that, while everything possible was being done by official and private bodies to improve the situation of these people, their presence in their territories presented difficulties which required outside help in order to reach a satisfactory solution.

— THE REPORT OF THE OPIUM COMMITTEE

The Report of the Advisory Committee on Opium and other Dangerous Drugs containing two proposals of the United States and a series of recommendations by the Committee, was ordered forwarded by the Council on July 7th to all States Members of the League, the Council expressing the hope that "they give such consideration to the proposals as will enable their representatives at the forthcoming Assembly

to take the action necessary to make these recommendations effective. According to the Committee's Report the Report to the Council and the Minutes of the Council thereon have been sent to all States Members of the League and the matter formally inscribed on the agenda of the Assembly.

The Advisory Committee's Report was adopted after a two weeks session at Geneva from the 24th of May to the 7th of June when in addition to the regular members of the Committee a delegation was present from the United States consisting of the Hon. Stephen G. Porter, Chairman of the Foreign Affairs Committee of the House of Representatives, Bishop Brent, Assistant Surgeon General Blue, and Mr. Neville of the State Department.

The Report of this session contained among other things, first the endorsement of the two American proposals that the use of opium products for other than scientific or medical purposes is an abuse and not legitimate and that consequently the control of the production of raw opium should be such that there will be no surplus available for other purposes and secondly the specific recommendations of the Committee for the calling of conferences on the gradual suppression of the use of prepared opium in the Pacific territories and for the limitation of the manufacture of drugs.

3 — TRAFFIC IN WOMEN AND CHILDREN

The experts to conduct an international investigation into the extent and scope of the traffic in women and children as recommended by the Advisory Committee thereon were appointed by the Council on July 7th. This investigation originally arose out of a recommendation proposed by Mrs. Grace Abbott who as the representative of the United States on the Advisory Committee drew attention to the difficulties of combatting the traffic owing to the insufficiency of information as to its methods and principal centres of operation.

The experts chosen to whom may later be added others nominated respectively by the British, Japanese and Uruguayan Members of the Council were the following:

Princess Cristina Giustiniani Brindisi

Mr. Abraham Flexner

M. Henniquin, Chairman of the French Association for the Suppression of the Traffic in Women

M. Isidore Muis, Chairman of the Belgian National Committee for the defence against the Traffic in Women and Children

M. Alfred de Meuron, Chairman of the Swiss Committee for Suppression of the Traffic in Women

The recommendation of this enquiry and the approval thereof by the Council had been conditioned on the fact that certain American organisations especially interested had offered to defray the extraordinary expenses necessitated by it. Following the decision of the Council this offer was confirmed and preliminary plans have accordingly been initiated for the starting of the enquiry this Fall.

4 — SLAVERY

The question of the recrudescence of slavery upon which the Third Assembly had requested the Council to gather information and prepare a report was considered by the Council at its twenty fifth session.

In reply to inquiries addressed by the Council to Governments of States Members with a view to obtaining any information it might be in their power to give memoranda were received from the South African Union, Belgium, Denmark, France, Great Britain, Hungary, India, Siam and Czechoslovakia.

After careful consideration of these replies, the Council decided that although the information so far gathered was hardly sufficient to form the basis of a complete report, the memoranda received to date and those which might be subsequently received should be communicated to the Fourth Assembly. The Council also authorized the Secretariat to extend its inquiries to Governments of countries not Members of the League.

5 — OBSCENE PUBLICATIONS

Plans were completed during the month for the International Conference to meet in Geneva on August 31st to consider the question of obscene publications and possibly to draw up and sign a new Convention on the subject. As contemplated by the last Assembly, this Conference, while being held under the auspices of the League, has actually been convened by the French Government, on whose initiative the earlier conference on this subject was held in 1910. At the request of that Government, the Secretariat is distributing to the Members of the League, to the States signatory to the Treaty of Versailles and to the parties to the International Agreement of 1910, the relevant documents, in particular, the replies received from Governments to the questionnaire sent out at the instance of the third Assembly.

X — Forthcoming Events

August 29th	Meeting of the Advisory and Technical Committee, Geneva
August 30th	Tenth session of the Economic Committee, Geneva
August 30th	Meeting of the Financial Committee, Geneva
August 31st	Twenty-seventh session of the Council, Geneva
September 3rd	Fourth Assembly of the League of Nations, Geneva
September 30th	Session of the Preparatory Committee of Statistical Experts, Brussels
October 8th	Second session of the Committee of Government Experts on Double Taxation and Fiscal Evasion, Geneva
October 15th	International Customs Conference, Geneva
October 22nd	Fifth Session of the International Labour Conference, Geneva

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No 3 The Åland Islands Question Report of the Committee of Jurists	1 1/2	0 25
No 4 Documents concerning the Dispute between Poland and Lithuania	9/-	1 80
No 5 Resolutions adopted by the Council at its Thirteenth Session in Geneva, June 1921	1 1/6	0 40
No 6 Resolutions and Recommendations adopted by the Assembly during its Second Session (September 5th to October 5th, 1921)	2/	0 10
No 7 Constitution of the Free City of Danzig	3/6	0 70
No 8 Index to the Minutes of the Sessions of the Council during 1921	5/	1 00
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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

AUGUST 1925

Vol. III No. 8

September 15th 1925

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Communications concerning the Monthly Summary should be addressed to the Information Section, League of Nations, Geneva.

I — Summary of the Month

The meetings of the Temporary Mixed Commission on the Reduction of Armaments, the Permanent Mandates Commission and the Committee on Intellectual Cooperation. The reading of the judgment of the Permanent Court of International Justice in the *S. S. Wimbledon* case, and the application for admission to the League of the Ethiopian Empire were the main events of the past month.

In the *S. S. Wimbledon* case, the majority of the Court, composed of nine judges, concluded that the suit of the Principal Allied Powers was valid, and the German authorities had wrongly refused passage through the Kiel Canal, to the *S. S. Wimbledon*. In addition the Court heard statements by the Polish and German representatives regarding the question before the Court of the legal status of settlers of German origin established in territories ceded to Poland.

The Temporary Mixed Commission for the Reduction of Armaments met at Paris at the beginning of the month. It adopted a scheme combining the principles of disarmament and mutual guarantees which will be submitted to the Council at its forthcoming session.

The Permanent Mandates Commission examined at its third session in the presence of accredited representatives of the Mandatory Powers the annual reports for 1927 forwarded by the Powers holding B and C mandates. It also considered the documents relating to the Bondelzarts affair.

The Committee on Intellectual Cooperation had before it reports on the year's work of its sub-committees in Bibliography, the protection of scientific property and inter-university relation.

On August 31st the twenty-sixth session of the Council began at Geneva. On the same day an international conference on the traffic in obscene publications convened by the French Government under the auspices of the League met at the Secretariat. The Committee on Communications and Transit, the Supervisory Commission and the Economic and Financial Commission also came together during the last days of August.

II — The Financial Reconstruction of Austria

The report of Sir William Acworth on the reorganisation of the Austrian railways was submitted to the Austrian Government on August 10th. This report prepared with the help of Mr Herold of the Swiss State Railways deals mainly with the measures to be adopted for the reorganisation on the State lines ⁽¹⁾.

Reduction of number of civil servants — According to the report of the Commissioner General the progress of demobilisation of civil servants was behind schedule for the second time in August (2) the number of dismissals on August 15th being 46,648 as compared with 45,405 on July 15th. The number stipulated for July 1st as 50,000.

It is expected that the reduction of the number of officials employed on railways owned by private companies, which are subsidised by the Austrian State and the completion of the reorganisation of the ministerial departments, will to a certain extent make up for this delay.

Budget — The preliminary estimates for August were agreed upon as follows by the Austrian Government and the Commissioner General:

Expenditure	642 7 milliards (p. per)
Revenues	379 " "
Deficit	263 , —
Deficit	263 7 milliards (paper)

The deficit exceeds by 73 7 milliards the average—100 milliards—provided for during the period from July 1st to December 31st. A serious effort will therefore have to be made to compensate by additional measures of economy during the remaining four months the supplementary deficit of the first two months of the period (the July deficit was 276 milliards).

The expenditure for this month is as agreed upon by the Provisional Delegation (657 0 milliards) the revenues being 73 7 milliards lower than the official forecast (452 9 milliards). It will be remembered that during the first period of six months the Austrian revenues were largely increased by the advance payment of certain taxes. This surplus might if necessary be credited to the present period. The deficit could thus be reduced to its normal figure ⁽³⁾.

(1) See Weekly Review Vol III No 35 p. 160-161

(2) See Weekly Summary Vol III No 6 p. 118-119

(3) See Weekly Summary Vol III No 10 p. 141

International Loan — The Austrian long term loan issue was as successful in 1914 as on the English, American, Swedish, Dutch, Belgian, Austrian and Swiss markets, the 200 million lire block at 6 1/2 % issued at 46½ lire, being 117 times over subscribed.

At Prague negotiations are being pursued for the issue of bonds to the amount of the Czechoslovak block. The French block of 170 million francs at 6 1/2 % was issued at the rate of 420 francs, the tax being paid by the bondholders.

Yield of Loan Securities — The yield of the customs and tobacco receipts on July amounted to 232 milliard paper crowns (customs 85, tobacco 147) as compared with 202 milliards in June. This figure is 17 milliards higher than the May returns, which were the most considerable of the first period and exceeded the average by 45 milliards.

General situation — On the whole, the economic situation is promising. The number of unemployed receiving the dole was 87,345 at the end of July as compared with 92,064 at the end of June. This decrease is due in part to seasonal labour, in part to the revival of certain industries.

The cost of living index is constantly sinking. For the period July 15th, the index was 3 % lower than that of the preceding month, lower even than that of September 1922, the last month before the beginning of the reconstruction work (1).

It is possible that the economic situation of Austria would have improved still more if the exchange crisis in the neighbouring countries had not proved an obstacle to the conclusion of commercial treaties.

III — The Permanent Court of International Justice

1. — THIRD SESSION (2)

On August 17th the Permanent Court of International Justice read judgment in the *S. S. Wimbledon* case.

A request of the Council for an advisory opinion concerning the legal status of certain categories of persons of German origin established in Polish territory was examined at public hearings on August 2nd, 3rd, 4th, 7th, 9th and 10th.

S. S. Wimbledon — On August 17th at a public sitting the judgment of the Court in the case of the *S. S. Wimbledon* was read out.

The judgment which was drawn up by the majority of the Court, composed of nine judges, is to the effect that the suit was validly submitted, that the German authorities were wrong in refusing to allow the passage of the *S. S. Wimbledon* through the Kiel Canal and that the German Government is, in consequence, under an obligation to make good the prejudice sustained, which is estimated at approximately 140,000 French francs.

Judges Anzilotti and Huber were unable to agree with the majority of the Court and availed themselves of the right of delivering a separate opinion. M. Schücking, the German National Judge, took the same course.

The judgment is based upon the general rule contained in Article 380 of the Treaty of Versailles, the effect of which, in the opinion of the Court, is that the Kiel Canal has ceased to be an inland navigable waterway, the use of which by the vessels of Powers other than the riparian State is left to the discretion of that State.

1) See *Monthly Summary* Vol. III, No. 7, p. 142.

(2) See *Monthly Summary* Vol. III, Nos. 6 and 7, pp. 114, 119.

By stating that the Canal shall be maintained open to vessels of nations at peace with Germany the clause contemplated the possibility of a future war in which Germany was involved. If the conditions of access to the canal were also to be modified in the event of a conflict between two Powers remaining at peace with Germany the Treaty would not have failed to say so. It has not said so and this omission was no doubt intentional. It follows therefore that the general rule establishing the right of free passage is also applicable in the event of Germany's neutrality.

The fact that a special section of the Treaty is devoted to the Kiel Canal and that in this section certain provisions are repeated which relate to the inland navigable waterways of Germany shows that the provisions relating to the Canal are self-contained. There is no occasion therefore to apply to the Canal rules taken from other articles of the Treaty which deal for instance with the régime applicable to inland waterways in the event of the neutrality of the riparian State.

It has been urged that if the provisions relating to the Kiel Canal were to be understood in the sense just indicated this would imply the abandonment by Germany of an essential part of her sovereignty which she could not renounce: that is to say, the right of safeguarding her neutrality.

The Court however considers in the first place that there is a general opinion to the effect that when an artificial waterway connecting two open seas has been permanently dedicated to the use of the whole world such waterway is assimilated to natural straits in the sense that even the passage of a belligerent man of war does not compromise the neutrality of the sovereign State under whose jurisdiction the waters in question lie. Moreover the President of the German Delegation had expressly declared in a Note to the President of the Conference of Ambassadors that the German Government claimed to apply its neutrality Orders only to vessels of commerce and not to vessels of war: it follows *a fortiori* that the passage of neutral vessels carrying contraband of war cannot be imputed to Germany as a failure to fulfil her duties as a neutral.

In the second place the Court considers that Germany's neutrality Orders were only applicable to the territory not affected by the restrictions imposed on Germany as regards the Kiel Canal and that these restrictions having been accepted by Germany in the exercise of her rights of sovereignty, cannot be regarded as incompatible with her sovereignty.

Legal Status of certain categories of settlers of German nationality in territories ceded to Poland — A request of the Council for an advisory opinion on certain points relative to measures taken by the Polish Government with regard to persons belonging to the German minority in Poland resulting in the expropriation of their holdings (colonies) in the territories ceded to Poland was submitted to the Permanent Court of International Justice on March 2nd (1).

Request of the German and Polish Governments — In accordance with the usual procedure of the Court the Council's request for an advisory opinion was notified to the Members of the League and to the German Government as being a Government able to furnish information to the Council.

The Polish Government having filed an application to be heard appointed Sir Ernest Pollock former British Attorney General and Count Rostkowski professor at the University of Cracow to present its case and communicated to the Permanent Court various documents bearing on the subject.

The German Government which had deposited a memorandum and had been admitted by the Court to furnish oral explanations, appointed as its representative M. Schiffer former Minister of Justice.

Status of the Polish representatives — The public hearing began on August 2nd.

(1) See *Annuaire de la Cour* Vol. III, 20 p. 125.

Count Rostworowski, who was first called upon to speak, began by defining the role of the representatives of Government before the Court on questions submitted to it for advisory opinion and not for judgment: such representatives had merely to state in all fairness the point of view of their Government on the question at issue.

The speaker thereupon explained on the basis of Articles 7, 8 and 12 of the Treaty of Minorities concluded by Poland and the Principal Allied and Associated Powers what were the subject matters placed by the Treaty under the guarantee of the League, and wherein the right of guarantee might be considered to consist, concluding that this guarantee was strictly limited as regards both its scope and its nature. After studying the facts upon which the opinion of the Court was requested, the Polish representative arrived at the conclusion that these facts were beyond the scope of the Treaty and of the guarantee provided therein by

The Polish law of July 14th, 1920, under which the expulsion of the German colonists had taken place "was not an example of legislation by exception, and could not therefore be in conflict with the Minorities Treaty."

Count Rostworowski finally drew attention to the importance which the Court's opinion would have, not only for the question pending, but also for the broader problem of defining the limits of the respective competences of the League of Nations and of sovereign States.

Speaking also on behalf of the Polish Government, Sir Ernest Pollock stated that he would confine himself to questions of fact and to the point whether the act or taken by the Polish Government had been contrary to its international obligations.

Following this plan, the speaker set forth the facts concerning the establishment of colonists of German race on the territories of Prussia bordering on former Russian Poland, giving a detailed analysis of the various contracts of settlement. He concluded that the object of these settlements was to carry out the policy of germanisation laid down in the Prussian Colonisation Law of 1886.

Sir Ernest Pollock then analysed certain Prussian decrees which tended to show that contracts entered into or concluded after the armistice would not be valid.

Regarding the question whether the Polish law of July 14th, 1920, was compatible with Poland's international obligations, Sir Ernest Pollock contended that no successor State is obliged under international law to assume undertakings entered into by the customary *concession* of private property when the titles were inchoate; in his view, the least contracts in the case now before the Court constituted such inchoate title. Assuming, even, for the sake of argument, that such titles conferred complete rights of property on the holders, it did not follow that they need be maintained by Poland since it was an established principle of international law that private rights directed against the successor State perished upon the cession of the territory. The right of the German colonists were of a mixed private and public character, the public side being clearly directed against the interests of the Polish race.

If Poland had been bound by these contracts, it would have succeeded also to the discretionary rights of the Prussian Government to withdraw from its obligations. Such withdrawal entailed the dispossession of the holders of the land.

In conclusion, Sir Ernest Pollock submitted, on behalf of the Polish Government, that the Court should be pleased to find that Poland had not acted contrary to its international obligations.

Statement of the German representative — At the public hearing of August 7th M. Schiffer, former German Minister of Justice, spoke on behalf of the German Government.

He first of all underlined that since it was a question of an advisory opinion,

he did not come before the Court as representative of a party, but only, in order to state from a purely objective point of view the facts and law relating to the question.

M. Schiffer then pointed out how, after the war, the minorities questions had been transferred from the political to the legal domain by means of the so called minorities treaties, which were placed under the guarantee of the League and ultimately under that of the Court. One of these treaties had been signed by Poland, for its interpretation, it was important to bear in mind that it had been signed at the same time as the Treaty of Versailles, and was connected with the recognition of Poland as an independent State.

M. Schiffer then dealt with the question of the competence of the League on this matter. Analysing the stipulations of the Minorities Treaty, he came to the conclusion that the League guarantee covered Articles I to II, inclusive, in so far as they concerned the rights of minorities. M. Schiffer was of opinion that the Polish law of 1920 was in fact directed against colonists not of Polish nationality who were of German origin, and therefore clearly against a national minority in the sense of the Minorities Treaty.

The speaker then examined the various contracts of settlement, showing that, in form and substance these contracts corresponded to ordinary contracts of purchase or sale under Prussian civil law and constituted in themselves a transfer of property. If in a certain number of cases the so called *Auflassung* (official registration) had been obtained only a certain time after the transfer of property, this depended exclusively on technical reasons.

Lastly, M. Schiffer explained the nature of the right held by the colonists before obtaining the *Auflassung*, this right could not be cancelled by the State, on the contrary, the colonists had a claim, enforceable by the tribunals, to obtain the *Auflassung*, which was a pure formality.

The Polish representatives contended that the rights of the holders of lands conferred on them by the Prussian State had expired under the Polish rule. M. Schiffer analysed their arguments, whilst endeavouring to refute them.

Count Rostkowski and Sir Ernest Pollock replied on behalf of the Polish Government to M. Schiffer's statement, M. Schiffer making a brief oral rejoinder.

The opinion of the Court is at present under deliberation.

2. — ELECTION OF A JUDGE

In execution of Article V of the Statute of the Permanent Court of International Justice, the Secretary General has invited the national groups mentioned in Article IV and V of the Statute to nominate candidates for the vacancy left by the decease of Senator Ruy Barbosa. Up to August 1st, the following twenty-nine nominations had been made. —

M. Alejandro Alarcá	(Chile)
M. Sayid Amer Ah	(India)
M. Frank A. Anglin	(Canada)
M. Ernest Arendt	(Luxembourg)
M. F. L. de la Barra	(Mexico)
M. F. V. N. Beichmann	(Norway)
M. Auguste Bonami	(Haiti)
M. José A. Buzo	(Uruguay)
M. J. W. Chydenius	(Finland)
M. Descamps	(Belgium)
M. J. V. González	(Argentine Republic)
M. K. J. L. de Hammelsjoeld	(Sweden)
M. M. Jovanovich	(Serbo-Croat-Slovene Kingdom)

M Eugène Lafleur	(Canada)
M Gusa de Magyary	(Hungary)
M P K. Nurohmach	(Siam)
M M. Montes de Gosa	(Argentine Republic)
M Rodrigo Octavio	(Brazil)
M K H Otavsky	(Czechoslovakia)
M T Papazoff	(Bulgaria)
M E de Silva Pessoa	(Brazil)
M Nicolas Politis	(Greece)
M M Rostworowski	(Poland)
M Joseph Schey	(Austria)
M M C Todoroski	(Yugoslavia)
M E Villazon	(Bolivia)
M Wang Chung Hui	(China)
M J W Wessels	(South African Union)
M E S Zeballos	(Argentine Republic)

The election will take place at the September sessions of the Assembly and Council (1).

IV — General Questions

1 — REQUEST UPON THE ETHIOPIAN EMPIRE FOR ADMISSION TO THE LEAGUE

The Crown Prince of Ethiopia on August 1st addressed to the Secretariat the following telegram containing the request of Ethiopia for admission to the League:

SIR,

In conformity with Article 1 of the Covenant of the League of Nations I have the honour to solicit the admission of the Empire of Ethiopia as a Member of the League of Nations, and the inclusion of this request in the agenda of the next Assembly meeting on September 3rd. The Ethiopian Government is prepared to accept the conditions contained in Article 1 of the Covenant, and to carry out all the obligations incumbent on Members of the League of Nations. The Imperial Government will send to the Assembly representative furnished with full power, who will provide all the necessary explanations and will confirm the present request.

I venture to ask you to be so good as to bring this request to the notice of all the Members of the League of Nations.

I have the honour to be etc

PAUL TEFERI MEKONEN,
Crown Prince of Ethiopia

This request has been communicated to the States Members of the League and placed on the Agenda of the Fourth Assembly.

2 — EIGHTH SESSION OF THE TEMPORARY MIXED COMMISSION FOR THE REDUCTION OF ARMAMENTS

The Temporary Mixed Commission for the Reduction of Armaments met in Paris from August 3rd to 5th for the purpose of considering the Draft Treaty of Mutual Assistance prepared by the special committee at its London meeting from

(1) See *Monthly Summary* Vol III, No. 1, page 50

July 4th to 20th. The Commission also examined certain questions of administration and approved reports on the private manufacture of, control of the traffic in arms, chemical warfare, the exchange of information, statements of Governments on the requirements of their national security, etc.

The following members were present at the meeting:

Chosen members selected by the Council of the League

M. Schanzer (Chairman)	(Italy)
M. A. Lebrun	(France)
M. J. Fabry	(France)
M. H. Branting	(Sweden)
Lord Robert Cecil	(Great Britain)
Count Bonin Longari	(Italy)
Prince Lubomirski	(Poland)
M. Alcalá Zamora	(Spain)
M. F. J. Urrutia	(Colombia)
M. E. Villegas	(Chile)
M. W. Holsti	(Finland)
M. Matsuda	(Japan)
M. E. Lohner	(Switzerland)
Major Hills	(Great Britain)

Experts selected by the Permanent Advisory Committee for Military, Naval and Air questions

Rear Admiral Kiyokawa	(Japan)
Admiral Marquis de Magaz	(Spain)
Rear Admiral J. M. Pando	(Brazil)
Lieut. Colonel Réquin	(France)
General de Marins Stendardo di Righiano	(Italy)
Colonel Love (substitute for Admiral Segrave)	(Great Britain)

Experts selected by the Economic Committee

M. Janovic	(Roumania)
Marquis di Viti di Marco	(Italy)

Experts selected by the Financial Committee

M. Van Zeeland (Belgium) (substitute for Sir James Brunyate)	(India)
M. A. Janssen	(Belgium)

Delegates selected by the Workers' Group of the Governing Body of the International Labour Office

M. Schurch (substitute for M. Jouhaux, France)	(Switzerland)
M. Bricklund (substitute for M. Oudegeest, Holland)	(Sweden)
M. Thorberg	(Sweden)

Delegates selected by the Employers' Group of the Governing Body of the International Labour Office

Dr J. Vaneč (substitute for M. Hodacek)	(Czechoslovakia)
M. H. Oersted (substitute for M. Langkjær)	(Denmark)
Colonel David Carnegie	(Canada)

The draft scheme of mutual assistance links up the question of disarmament with that of a general treaty of mutual guarantee, which, in the intention of its *organizers*, should furnish a primary basis of security for disarmament, and may be reinforced by special supplementary agreements. Once this system of general and special guarantees has been established, each State will be able to estimate the security afforded at its proper value and present to the Council such disarmament scheme as it believes it can adopt. Moreover the High Contracting Parties agree to cooperate in any general scheme for the reduction of armaments which the Council may propose after consideration of the information received, such scheme to be submitted to the different Governments. Thus the guarantees offered will enable States to reduce their armaments, this reduction being the fundamental and necessary condition for the coming into play of the guarantees.

The Scheme of mutual assistance adopted by the Commission after a six days' discussion comprises a preamble and nineteen articles and reads as follows:

PREAMBLE

The High Contracting Parties, being desirous of establishing the bases of an organization of mutual assistance for the purpose of facilitating national armaments to be reduced in accordance with Article VIII of the Covenant of the League of Nations, "to the lowest point compatible with national safety, and the enforcement by common action of international obligations," agree to the following provisions:

ARTICLE 1

The High Contracting Parties, solemnly declaring that aggressive war is an international crime, severally undertake that none of them will be guilty of its commission against another.

ARTICLE 2

The High Contracting Parties jointly and severally undertake to furnish assistance in accordance with the provisions of the present Treaty, to any one of their number, should the latter, after having reduced its armaments in accordance with the present Treaty, be the object of aggression.

ARTICLE 3

In the event of one of the High Contracting Parties being of opinion that the armaments of any State party to this Treaty are in excess of those fixed under its provisions or that an aggressive policy or military preparation of any State party or not to the present Treaty are of such a nature as to cause apprehension to the High Contracting Parties of an eventual outbreak of hostilities, it may inform the Secretary General of the League of Nations that it is under a threat of aggression, and the Secretary General shall forthwith summon the Council of the League of Nations.

The Council, if it is of opinion that there is reasonable ground for thinking that a menace of aggression has arisen, shall take all necessary measures to avert such a menace which may, if the Council thinks right, include any of the measures indicated in (a), (b), (c) and (d) of Article 5 of the present Treaty to meet a case of actual aggression.

ARTICLE 4

In case of aggression against one or more of the High Contracting Parties the Council of the League of Nations shall decide within not more than four days from the date on which the matter was brought to the attention of the Secretary General, which of the States engaged in hostilities has been the aggressor.

The High Contracting Parties undertake that, whatever may be the terms of the partial treaty to which they are parties, they will accept such a decision by the Council of the League of Nations.

For the purpose of this Article, the powers engaged in hostilities shall not take part in the vote. The same rule shall apply to States signatories to any partial treaty involved unless the remaining Members of the Council decide otherwise.

ARTICLE 5

The High Contracting Parties undertake to furnish each other, in the form which the Council recommends as the most effective to any State adhering to the present Treaty which has been the object of aggression, and for that purpose to take all necessary measures without delay, in order that it may be brought into operation in the order of urgency demanded by circumstances.

In particular, the Council may:

- a) Decide to apply to the aggressor State the economic sanctions contemplated by Article XVI of the Covenant;
- b) Inform the States providing assistance after having consulted them in accordance with Article IV of the Covenant of the forces which it desires to have placed at its disposal;
- c) Take all the necessary measures for securing priority for the communications connected with the operation;
- d) Prepare a plan for financial cooperation among the High Contracting Parties with a view to providing for the State attacked the funds which it requires for its defence;
- e) Appoint with the consent of the State which has been attacked, the Commander in Chief, and establish in collaboration with the said State the object and nature of his duty.

ARTICLE 6

In order to allow the High Contracting Parties to render general assistance mentioned in Articles 2, 3 and 5 immediately effective they may conclude either as between two of them or as between a larger number, agreements complementary to the present Treaty exclusively for the purpose of mutual defence and intended solely to facilitate the carrying out of the measures provided for in the Treaty, determining and fixing the assistance which they could give to each other in the event of any act of aggression which they may consider possible against any one of them.

Such agreements may, if the High Contracting Parties interested so desire, be negotiated and concluded under the auspices of the League of Nations.

ARTICLE 7

Defensive agreements

Within the meaning of Article 6, shall be communicated to the League of Nations in order that they may be examined by the Council and recognised as being in accordance with this Treaty and the Covenant.

In particular, the Council shall consider if the said agreements are of a nature to justify its decision should the case arise, subject to the conditions of Articles 4 and 5 of this Treaty, to demand the assistance of the other High Contracting Parties.

When recognised these agreements shall be registered in conformity with Article XVIII of the Covenant and regarded as supplementary to the present Treaty. They shall in no way limit the general obligations of the signatory States nor the sanctions contemplated against the aggressor State under the terms of this Treaty. They shall, in all cases, be open to any other High Contracting Party who may wish to become party to them, subject to the consent of the signatory States.

ARTICLE 8

In all cases of aggression contemplated by defensive agreements within the meaning of Articles 6 and 7 the States parties to such agreements may undertake to put into immediate execution the plan of assistance which they have agreed upon.

Subject to the preceding paragraph the provision of Articles 4 and 5 above shall come into force both in such cases and in other cases of aggression not contemplated by the special defensive agreements, and the High Contracting Parties shall inform the Council without delay, concerning the defensive measures which they think it necessary to take.

The High Contracting Parties undertake to furnish to the States parties to any such defensive agreements such assistance as the Council of the League may recommend in accordance with the subject to the conditions of Article 5 of this Treaty.

ARTICLE 9

The High Contracting Parties in view of the security furnished them by this Treaty, undertake to inform the Council of the League of the reduction or limitation of armaments which they consider proportionate to the security furnished by the general treaty, and if the general treaty should be sufficient for them and to the security furnished by the defensive agreements complementary to the general treaty.

The High Contracting Parties undertake to cooperate in any general plan of reduction of armaments which the Council of the League of Nations, taking into account the information provided by the High Contracting Parties, may propose under the terms of Article VIII of the Covenant.

This plan should be submitted for consideration and approved by the Governments, and when approved by them will be the basis of the reduction contemplated in Article 2 of this Treaty.

The High Contracting Parties undertake to carry out this reduction with a period of two years from the date of the adoption of this plan.

The High Contracting Parties after having informed the Council of the reduction of armaments which they have carried out, undertake to conform to the provision of Article VIII of the Covenant.

ARTICLE 10

Each of the High Contracting Parties undertakes to furnish to the military or other Delegates of the League appointed by the Council such information with regard to their armaments as the Council of the League may request.

ARTICLE 11

No High Contracting Party shall be under an obligation in principle to cooperate in a Continent other than the one in which it is situated in military, naval or air operations undertaken in connection with the general or supplementary assistance provided for by this Treaty.

ARTICLE 12

The High Contracting Parties agree that the whole cost of any military, naval or air operations which are undertaken under the terms of the present Treaty and of the supplementary partial agreement, including the reparation of all material damage caused by operations of war, shall be borne by the aggressor State up to the extreme limits of its financial capacity.

The amount payable under this Article by the aggressor State, to such an extent as may be determined by the Council of the League, shall be a first charge on the whole of the assets and revenues of the State. Any repayment by that State in respect of the principal money and interest of any loan internal or external issued directly or indirectly during the war, shall be suspended until the amount due for cost and reparations is discharged in full.

ARTICLE 13

Any Member of the League of Nations not being one of the signatories to this Treaty, may adhere to it by giving notice of adherence to the Secretary General of the League of Nations who shall inform the other High Contracting Parties.

States which are not Members of the League of Nations may adhere thereto subject to the consent of two thirds of the signatory States.

ARTICLE 14

Any State referred to in Article 13 may, with the consent of the Council of the League of Nations notify its partial adherence, the benefits and obligations of which shall be limited so as to correspond to one or more forms of mutual assistance of a clearly defined military, naval, air, economic or financial nature, provided always that such State adheres unconditionally to the provisions of this Treaty which concern the reduction of armaments.

ARTICLE 15

Nothing in the present Treaty shall affect the rights and obligations resulting from the provisions of the Covenant of the League of Nations or of the treaties of peace signed in 1919 and 1920 at Versailles, St. Germain, Neuilly and Trianon, or from the provisions of treaties or agreements registered with the League of Nations at the date of the first coming into force of the present Treaty.

ARTICLE 16

Any question as to the meaning or effect of the present Treaty not being a question whether it is naval, military or air forces, or preparation of any of the High Contracting Parties are in excess of those agreed to under the present Treaty shall be referred to the Permanent Court of International Justice whose decision shall be final.

ARTICLE 17

The High Contracting Parties agree that the armaments determined for each of them in accordance with the present Treaty shall be subject to revision every five years, beginning from the date of the entry into force of this Treaty.

ARTICLE 18

(Two drafts submitted to the Council for examination by a Committee of Jurists.)

The present Treaty shall be ratified and the ratifications shall be deposited as soon as possible at the Secretariat of the League of Nations.

A first statement of the deposit of the ratifications shall be drawn up as soon as the Secretary General receives the instruments of ratification.

— of five European States, three of which are permanent Members of the Council,

— of two Asiatic States of which one is a permanent Member of the Council

— of three American States.

The present Treaty shall be ratified and the instruments of ratification shall be deposited as soon as possible at the Secretariat of the League of Nations. As soon as the instruments of ratification shall have been deposited by certain Powers, that is to say

— in Europe by Great Britain, France, Italy, (Germany), (Russia), or such (four) of them as shall first have ratified it,

— in Asia by Japan and one other Power,

— it shall come into force in respect of that continent, provided always

(a) That if any of the ratifying Powers mentioned in this Article by name shall not have reduced their armaments in accordance with the provisions of the present Treaty within the period fixed in Article 8, from the date of entry into force of the said Treaty this Treaty shall be regarded by such Powers as null and void and the other High Contracting Parties which have ratified it may at any time denounce it,

(b) That with respect to the other High Contracting Parties the rights and obligations provided for in Articles 2, 3, 5, 6 and 8 of this Treaty shall only come into force when the Council shall certify that such High Contracting Parties has reduced its armament in accordance with the provisions of this Treaty or has taken the necessary steps to secure that such reduction shall have been carried out within 2 years of the ratification of the present Treaty by the High Contracting Parties.

The present Treaty shall come into force as regards all States which have ratified it, on the date on which it comes into force in respect of the continent in which they are respectively situated.

A certified copy of each instrument of ratification shall immediately be communicated to all signatory States.

With regard to the High Contracting Parties who may subsequently ratify the present Treaty, it will come into force at the date of the deposit of the instrument. The Secretary General shall immediately communicate a certified copy of the instrument to all Powers which have signed or adhered to the Treaty.

NOTE. — A ratification clause for States situated in North and South America, Africa and Oceania must be added.

The present Treaty shall come into force as regards all the States which shall have ratified it at the date of the first statement above mentioned a certified copy of which shall be immediately communicated to all the signatory States.

With regard to the High Contracting Parties which may eventually ratify the present Treaty it will come into force at the date of the deposit of the instruments. The Secretary General will immediately communicate a certified copy of the instrument to all Powers who have signed or adhered to the Treaty.

ARTICLE 10

The present Treaty shall remain in force for a period of fifteen years from the date of its first entry into force.

After this period, it will be prolonged automatically from year to year for the States that have not denounced it.

In the course of the debate the members of the Commission repeatedly manifested their agreement as to the significance and general scope of the treaty under examination, emphasising their desire to render disarmament possible by means of mutual guarantees and their wish to prevent all wars of aggression.

Certain differences of opinion, however, arose on the subject of the application of the treaty by means of special defensive agreements. Certain members of the Commission raised objections regarding the application of such agreements, which, they considered, might entail a return to the former system of alliances which they deemed incompatible with the spirit of the League. Other members, on the contrary, pointed out that, although the general treaty was an instrument possessed of considerable moral weight, immediate and effectual assistance in accordance with a previously drawn up scheme, as provided for by Resolution XIV of the Third Assembly, could only be obtained by means of special agreements. In their opinion, such agreements could in no wise be considered in the same light as the former treaties of alliance, which were not subject to any supervision, it being understood that the special agreements provided for in the mutual assistance scheme should undergo thorough examination by the Council.

The draft treaty of mutual assistance will be examined by the Council at its August session and will then be referred to the Assembly.

3 — INTERNATIONAL AGREEMENTS

a) *Ratification of Amendments to the Covenant* — The French Government has deposited with the Secretariat the instrument of ratification of the protocols relating to the amendments to the following Articles of the Covenant, which were adopted by the second Assembly,

VI (Allocation of Expenses), XII, XIII, XV (Arbitration and Judicial Settlement) and XXVI (Ratification of Amendments).

The Greek Government has deposited the instruments of ratification of the amendment to Articles XII, XIII, XV and XXVI.

The Portuguese Parliament has adopted the bills concerning the amendment to Articles IV (Election of the Non-Permanent Members of the Council), VI, XII, XIII, XV, XVI (Economic Blockade) and XXVI of the Covenant. The instruments of ratification will be forwarded shortly to the Secretariat.

b) *Registration of Treaties and International Agreements* — Among the treaties and international agreements registered by the Secretariat during the month hours of convention on aerial navigation concluded by Norway and Sweden, a commercial agreement between Denmark and Austria and a commercial agreement between Austria and Iceland.

V — Technical Organisations

1 — THE PROVISIONAL HEALTH ORGANISATION

a) *Technical Conference on the Standardisation of Biological Remedies* — A technical conference on the standardisation of biological remedies convened under the auspices of the Health Committee met at Edinburgh in the offices of the Scottish Board of Health from July 19th to 21st.

The conference was opened by Professor Madsen the president of the League Health Committee. Professor Cashmy of Edinburgh University the chair during the technical proceedings. The Conference had to examine the methods of testing drugs and biological remedies of frequent use and vital importance in treatment, such as digitalis insulin ergot and many others.

The experts attending the conference had been requested to submit statements on the remedies under discussion. After a protracted debate the conference adopted in each case one or two methods of testing and selected a certain number of laboratories where these methods could be applied and the results compared.

Dr Dale of the Medical Research Council expressed his willingness that his department should act as co-ordinating centre for these investigations and the correspondence incidental thereto.

The results of the investigations will be examined at a later conference with a view to reaching a final agreement on the subject to be submitted to the different Governments.

b) *Anti-Epidemic Measures in Far Eastern Ports* — Dr Norman White, a member of the League Health Organisation has returned from a mission in the Far East where at the request of the Council acting on the recommendation of the Health Committee he conducted an inquiry regarding epidemic diseases in Far Eastern ports.⁽¹⁾

The precise object of this inquiry was to ascertain the anti-epidemic measures in force especially as regards plague and cholera and to study the possibility of securing uniformity in the sanitary formalities in Far Eastern ports.

Dr Norman White left Geneva in November 1922 and returned at the end of July 1923. From Siam where he represented the League Health Organisation at the first Red Cross Conference in the Far East he proceeded to Singapore Java Hong Kong Japan Formosa Corea southern Manchuria as far north as Harbin Dairen New-chwang Peking Manila Tongking Annam Cochinchina and Cambodia the Federated Malay States Penang Rangoon Calcutta Simla Bombay and Ceylon.

During this long tour Dr Norman White received the utmost assistance from the Government and authorities concerned and was able to collect a large mass of information regarding the evolution of epidemics of cholera bubonic plague pneumonic plague smallpox and other diseases during recent years. He also noted facts concerning the health administration and the methods of recording vital statistics in certain of the countries visited.

2 — ECONOMIC AND FINANCIAL ORGANISATION. FIRST REPORT OF THE FINANCIAL ADVISER TO THE ALBANIAN GOVERNMENT

The Financial Adviser to the Albanian Government Mr Hunger has forwarded to the Secretariat for communication to the Council a first report covering the period from June 1st to July 24th.⁽¹⁾

As soon as he arrived in Albania, Mr Hunger was able to form an opinion regarding the attractive prospects offered by that country. Vast forests and large tracts of fertile land cover a considerable portion of the territory. The soil is rich in mineral deposits which are entirely unexploited. Concessions have recently been granted to foreign companies for the extraction of asphalt the exploitation of the Namuras forest north of Tirana the cultivation of the State domains of Retibi and Ham Rri and for copper prospecting in Puka in the neighbourhood of Scutari. Concessions under consideration refer to petroleum boring a cigarette paper and match monopoly and the construction of railways. Negotiations are being pursued in view of the establishment of a Bank of Italy with international capital.

(1) S. M. H. C. 1923 Vol. II No. II page 9.

3 — COMMITTEE ON INTELLECTUAL COOPERATION

The second session of the Committee on Intellectual Cooperation took place at Geneva from July 26th to August 2nd with M. Bergson in the Chair. The main questions before the Committee were the result of its investigation into the conditions of intellectual life in countries in which it is especially endangered, the recommendations of sub-committees regarding scientific property, bibliography and inter-university cooperation, and the problem of Esperanto and an international auxiliary language referred to the Committee by the Third Assembly.

The following members were present at the meeting

- M. F. Ruffini, professor at the University of Turin, vice-president in the absence of M. Gilbert A. Murray,
- M. Banerjee, professor of Political Economy at the University of Calcutta,
- Mlle. Bonnevie, professor at the University of Christiania,
- M. de Castro, Director of the Medical Faculty at the University of Rio de Janeiro,
- M. De Greef, formerly Minister of Science and Fine Arts, Belgium,
- M. Lorentz, professor at the University of Leiden,
- Mr. Lewis Dickinson, substitute for Mr. G. A. Murray
- M. de Reinhold, professor at Bern University,
- M. de Torres Quevedo, director of the Electro-Mechanical Laboratory of Madrid,
- Mr. Wigmore, professor at the North Western University of Chicago, substitute for M. Millikan

Investigation into conditions of intellectual life in countries in which it is endangered — The Committee at the very beginning of its activity, having concluded that it was impossible to achieve useful results in the field of intellectual cooperation without very definite knowledge of the main facts of the subject, conducted an investigation into the conditions of intellectual life in the various countries. With the approval of the Council, the Committee forwarded questionnaires to Universities, Academics, Learned Societies and other bodies. At the outset this investigation bore mainly on conditions in certain countries of Continental Europe and the United States of America, the British Empire, the Orient, and Latin America being reserved for a second phase of the enquiry.

The first results of this investigation which the Committee has decided to publish forthwith in a series of thirty pamphlets, show that the situation in countries with a depreciated currency is critical. Intellectual work and workers meet with the greatest difficulties. To remedy this the Committee recommends that national committees similar to those established in Austria, Hungary, Czechoslovakia, Poland, Estonia, Finland, Lithuania, Roumania, Bulgaria, Greece and the Serb-Croat-Sloven Kingdom, should be set up in all countries. These committees, on which learned societies, federations of intellectual workers, universities and other bodies are represented, centralise and forward pressing appeals from scientists and learned bodies of their own and other countries regarding publications and instruments of intellectual labour.

The Committee on Intellectual Cooperation considers that the extension to all countries of this system of national committees is one of the surest means of interesting intellectual workers in the League of Nations. These organisations, collaborating with the League Committee on Intellectual Cooperation will be able not only to promote mutual assistance with regard to intellectual work, but also to encourage the development of intellectual intercourse of all kinds and mutual understanding among nations.

Bibliography — The Committee one of whose objects is to promote scientific research by means of increased rapidity and regularity, as far as the exchange of information is concerned endeavoured to co-ordinate various methods of bibliography

As regards bibliography by titles the Committee approved the use and development of the general alphabetical catalogue of the International Institute of Bibliography in Brussels. In connection with analytical bibliography the Committee recommended the convocation of special technical conferences for the purpose of co-ordinating the preparation and publication of summary analyses in scientific reviews, as these resumes are of the greatest use to scientists. These conferences the Committee considered might be organised at once—on physics, classical philology and sociology. The Committee also approved the organisation of a technical congress to examine the application and possible revision of the conventions of 1886 on the international exchange of official publications as between States.

In order to enable scientists to consult foreign books and reviews, the Committee expressed the wish that no customs duty should be levied on books lent by one library to another in a foreign country. It also recommended that as it seemed almost impossible at the present moment to organise international libraries the resources of already existing libraries in centres of learning should be coordinated as soon as possible.

The Committee further decided to publish within a few months an Index Bibliographicus based on information furnished by the principal bibliographical publication of the various countries containing a complete list of bibliographical institutions and periodicals in all countries.

Protection of scientific property — The Committee having instructed one of its sub-committee to enquire into the means of protecting scientific discoveries also approved a report on this subject drawn up by Professor Ruffini. The author places scientific discovery on an intermediate basis between artistic and literary property and technical invention, both of which are protected the former by copyright the latter by patent and recommends the institution of an international union for the protection of scientific discoveries on the same lines as the union for the protection of literary and industrial property.

The Committee recommended the report with an appended draft convention on the subject to the special attention of the Council and the Assembly.

Inter-University relations — The report of the sub-committee on inter-university relations which came before the Committee at its second session dealt mainly with the questions of the exchange of professors, the exchange of students and the equivalent recognition of studies and degrees.

The Committee warmly recommended that the exchanges of professors should be pursued and organised on a more systematic basis. Regarding the exchange of students the Committee considered that this could be very largely developed by the student associations and decided to enter into relations with the International Students' Associations. As regards the situation of students in countries with depreciated currencies the Committee proposed that an agreement should be entered into by the interested Governments or universities under which the names of the more deserving students of such countries would be communicated to universities of countries in better financial condition the latter to afford such students all requisite facilities, in the form of grants and scholarships, to enable them to continue their studies at these universities. The Committee also recommended the organisation of courses of lectures on modern nations, the extension of the study of modern languages and the organisation of international holiday courses.

The establishment of an international bureau of university information appeared to the Committee to be one of the most urgent questions under examination. This bureau would be attached to the Secretariat of the League under the control and administration of the Commission. Its main duty would be to collect all information of a nature to promote inter-university relations.

Esperanto and the question of an auxiliary international language. — The Committee had been requested by the Assembly to give its opinion on the question of esperanto and the different aspects of the problem of an auxiliary international idiom. It decided not to recommend an artificial language, considering that its efforts should centre on the diffusion of modern languages and literature is the most powerful means of promoting mutual understanding between nations—which is the main object of the League.

4 — FIFTH SESSION OF THE ADVISORY AND TECHNICAL COMMITTEE ON COMMUNICATIONS AND TRANSIT

The Advisory and Technical Committee on Communications and Transit met from August 29th to September 1st at Geneva. On the agenda figured the question of the reform of the calendar, reports by sub-committees on the question of opium in free ports and on the sanitary control of waterways, and various other problems in connection with the co-ordination of air and rail traffic, the transport situation in Central and Eastern Europe, international driving licences and summer time.

Regarding the problem of the reform of the calendar the Committee had not to study the question from a scientific point of view, but merely to explain certain relevant points, and to submit the results of its investigation to the different Governments.

The problem is twofold, bearing as it does on the question of the movable feasts—Easter in particular—which are a source of considerable inconvenience to commercial circles, and on the revision of the Gregorian Calendar, as prescribed by the recent Pan-Orthodox Congress, the object of which is to unify the months as regards length and the number of Sundays, and also the years, so that a given date may always fall on the same day of the week.

As this reform touches on questions which interest not only Governments and economic and scientific circles, but also ecclesiastical authorities, the Committee decided to invite the Holy See, the Oecumenical Patriarch and the Archbishop of Canterbury to appoint representatives to cooperate in its work. The Holy See appointed the Rev. Father Granfranceschi, the Oecumenical Patriarch and the Archbishop of Canterbury Professor Eginetis, Director of Athens Observatory, and Rev. T. E. R. Philipps, Secretary of the Royal Astronomical Society, respectively.

The Committee, considering that the investigation of reforms which might be introduced into the Gregorian Calendar would inevitably affect very considerably the conditions of economic life and international traffic by setting up a more uniform and rational time measurement, noted that, from the point of view of dogma strictly speaking, the idea of the reform of the calendar, both with regard to the fixing of Easter and the more general question of the reform of the Gregorian Calendar, did not meet with difficulties of such a nature that they could be regarded before hand as insuperable. It was unanimously agreed that no reform in the calendar, and in particular no decision regarding the fixing of Easter (a question which is essentially a religious one) would be practicable without an agreement between the various high religious authorities concerned. The Committee also noted that the changes in existing conditions involved by any reform were only justified and acceptable if definitely demanded by public opinion with a view to an improvement of public life and relations.

The Committee therefore decided to continue the examination of the question

by means of the institution of a special committee of enquiry, composed of, besides the three representatives of ecclesiastical authorities already named

Jonheer van Eysinga, member of the Committee on Communications and Transit (chairman), and M. Bigourdan, former chairman of the International Astronomic Unions Calendar Committee, and Mr. Willis Booth, President of the International Chamber of Commerce who will be invited to sit on the committee

The special committee will consider questions relating to the reform of the calendar on the basis of the scheme prepared by the International Astronomic Union at its meeting at Rome in May 1922, and of the recommendations made by the International Chamber of Commerce at its congress in London in June 1921. The decisions of the Committee on Communications and Transit will be brought to the notice of all Governments and of the religious authorities concerned, who are requested to transmit to the Committee before March 1st, 1924, any remarks or suggestions they may think fit

As regards the question of opium in free ports, the Committee considered that, legally, the free port regime allowed of a governing State's dictating whatever measures of control it might deem necessary to ensure the application of the International Opium Convention

The Joint Sub Committee of the Health and Communications and Transit Committees adopted a model draft convention on the health administration of waterways with a view to preventing the spread of disease along inland waterways

The Committee, in connection with its enquiry on the question of summer time, recommended that States adopting this system should decide on uniform dates for the beginning and end of the period. The Committee stressed the utility of uniform official time for all countries situated in one and the same zone

After hearing a statement by M. Charv, vice president of the *Automobile Club de France* the Committee decided to request the Council to recommend to Government that the Convention of 1909 on road traffic should be revised with a view to making it conform to the requirements of international motor traffic

The Committee further adopted a report on the co-ordination of air and rail traffic. It recommended that the forthcoming Conference on Customs Formalities should be requested to study the question of customs formalities in air traffic

The Committee noted with satisfaction in a report on the transport situation in Central and Eastern Europe, that important progress had been made as far as the technical exploitation of railways was concerned. It drew the attention of the Council to two points of vital importance for the return to normal conditions namely, the question of exchange, and that of loans to railway companies in order to enable them to carry out the necessary improvements for a satisfactory exploitation of their lines

VI — Administrative Questions

1 — THE SAAR

Resignation of Mr. Waugh — Mr. R. D. Waugh (Canadian) in a letter dated August 2nd, forwarded to the Secretary General his resignation as a member of the Saar Basin Governing Commission in order to accept an important commission in connection with the Manitoba Government in Canada

Mr. Waugh was one of the original members of the Governing Commission and has served at Saarbrücken as Minister of Finance, Food Supply and Forests for 3 1/2 years

2 — DANTZIG

The negotiations between the representatives of Danzig and Poland which began in Geneva at the end of the July Council meeting under the auspices of the

High Commissioner and with the assistance of the Secretariat in order to bring about a settlement of all outstanding differences between the two countries were continued in Danzig on August 20th. They were transferred to Geneva shortly before the opening of the twenty-fifth session of the Council.

3 — THIRD SESSION OF THE PERMANENT MANDATES COMMISSION

The third session of the Permanent Mandates Commission was held at Geneva from July 20th to August 10th. The principal business before the Commission was the consideration of the reports for 1924 on the administration of territories under B and C mandates, and special reports relating to the Bondelzwart affair. The following members of the Commission were present:

- Marquis Theodoli (Italian), former Under Secretary of State for the Colonies (Chairman)
- M. van Rues (Dutch), former Vice-President of the Council of the Dutch East Indies (Vice-Chairman)
- M. Beau (French), former Ambassador
- Mme. Bugge Wicksell (Swedish)
- M. Freire d'Andrade (Portuguese), former Minister for Foreign Affairs
- Sir Frederick D. Lugard (British), former Governor-General of Nigeria
- M. P. Ort (Belgian), Minister plenipotentiary
- M. Kunio Yamaguchi (Japanese), former Secretary-General of the House of Lords

The Spanish member, the Count de Ballobar, who was absent for reasons of ill health, sent in a report on the health conditions in the mandated territories. The International Labour Organisation was represented by Mr. Grimshaw, who took part in an advisory capacity in debates on questions connected with labour and slavery.

In accordance with the rules of procedure of the Commission, the examination of the annual reports took place in the presence of the following accredited representatives of the Mandatory Powers:

- The Right Hon. Sir Joseph Cook (Australia), High Commissioner for Australia in London, for the report on New Guinea,
- M. Pierre Forthomme (Belgium), Honorary Minister Plenipotentiary, Member of the Belgian House of Representatives, for the report on Ruanda Urundi,
- The Hon. W. Omsby Gore (Great Britain), Under Secretary of State for the Colonies, for the reports on Tanganyika, British Cameroons, and British Togoland,
- M. Duchene (France), Director of Political Affairs in the French Ministry for the Colonies, for the reports on French Togoland and French Cameroons,
- M. Matuda (Japan), Minister Plenipotentiary, for the reports on the Pacific Islands under Japanese Mandate,
- The Hon. Sir James Allen (New Zealand), High Commissioner in London, for the report on Western Samoa,
- The Right Hon. Sir Edgar Walton (South African Union), High Commissioner of the Union of South Africa in London, assisted by Major Herbst, Secretary of the Department of Native Affairs, Union of South Africa, for the report on South West Africa.

The documents relating to the Bondelzwart affair were discussed by the

Commission in the presence of the two last named representatives, the observations of the Commission being subsequently forwarded to the Council and the interested Government. It will be remembered that this matter was the subject of a discussion at the Third Assembly, when the South African Government stated its intention of making a full and impartial inquiry into the facts of the Bondelwarth rising and its repression, and of communicating the results to the League (1). The examination of the report on the administration of Nauru took place in the presence of Sir Joseph Cook, Mr. Ormsby Gore and Sir James Allen.

At a public meeting attended by the members of the Commission and the Government representatives the Chairman expressed the satisfaction of the Commission as regards the solicitude shown by the Mandatories in the administration of the territories entrusted to their care. Statements were then made by Members of the Commission on questions which had arisen in the course of the debates on the annual reports, and which the Commission wished to bring to the special notice of the Council. M. Beau explained the difficulties as regards the application of the principle of freedom of conscience in mandated areas and made a statement on questions relating to public health. Sir Frederick Lugard reported on the questions of the equalisation of duties on liquor and military recruitment of natives, M. Orts on the application of international conventions to mandated areas, M. van Rie on land tenure, M. Freire d'Andrade on loans, advances, and investment of private capital, Mr. Grimshaw on the health of native workers, and Marquis Theodoli on the question of the frontier between the French and British Cameroons.

Freedom of Conscience — Difficulties which had arisen in Tanganyika as a consequence of rivalry between missionaries of different persuasions were brought to the notice of the Commission. The Mandatory inquired whether it would be contrary to the principle of freedom of conscience as laid down by the Covenant, to issue regulations concerning the establishment of different missions in one and the same locality.

The Commission considered that it would be exceeding its duties were it to dictate administrative measures to the responsible authorities in mandated areas. It was of opinion that freedom of worship should be subject to the condition that it should not be prejudicial to public order, but at the same time any regulations exceeding those required for the maintenance of order would be contrary to the terms of the Mandate.

Liquor Traffic — In connection with the liquor traffic the Commission recommended that the British and French Governments should be invited to agree that the duties on spirituous liquors imported into the territories placed under their respective mandates in Africa should not be less than the duties on similar spirits of equal strength on their adjoining territories.

Application of International Conventions to Mandated Territories — The B Mandates contain a provision to the effect that the Mandatory shall apply to the territory committed to its charge any general international conventions applicable to its contiguous territory. This applies chiefly to conventions and general treaties concerning the slave trade, the traffic in arms and munitions, the traffic in drugs, freedom of transit and navigation, railways, postal communications and literary, artistic and industrial property. The B Mandates however, contain no reference to special treaties, such as those concerning the legal status of inhabitants, and commercial agreements containing a most favoured nation clause. The Commission was of opinion that the intention of the authors of the Covenant would probably be fully met if measures were taken to remedy this state of affairs which is prejudicial to the interests of the inhabitants of mandated areas and proposed that States Members of the League should consider the possibility of extending to

the territories under B and C Mandates the advantages conferred upon the contiguous colonies and protectorates of the Mandatory by special treaties and conventions entered into by that State

Land Tenure in Mandated Areas — The question of the system of land tenure in mandated areas—mainly in connection with unowned property and that formerly belonging to the German State—was discussed by the Commission, which postponed its decision on this subject until its next session

Military Recruitment in Mandated Areas — The Commission, having been asked whether natives might be recruited for service in an armed force belonging to a neighbouring country a detachment of which might be temporarily quartered in the mandated area, decided that the spirit of the mandate would be violated if natives were enlisted for service in a military corps which was not permanently quartered in the territory, and used solely for its defence or the maintenance of internal order, except as provided under Article 3, Paragraph 2 of the Mandates for the French Cameroons and Togoland

The Frontier between the British and French Cameroons — The Commission, considering the interests of the natives and certain observations made on this subject, recommended that the Council should invite the French Government to collect information and make known its views regarding the frontier between the British and French Cameroons

Public Health — The Commission noted the prevalence of venereal diseases among the native populations and requested the Governments of the Mandatory States to give the fullest possible information on the incidence of disease in the various mandated territories and the measures taken to combat this evil

Loans, Advances, and Investment of Private Capital — The Commission was impressed by the fact that a certain lack of confidence in financial circles appeared to be an obstacle to the investment of private capital in mandated areas. The Commission noted that the opinion seemed to prevail that a mandate is revocable, and this, together with the possibility of its voluntary rendition or transfer was regarded by some as a defect of title presenting an obstacle to investment. This conception might similarly deter the Mandatory from guaranteeing loans, or advancing large sums for the development of a territory, without a tangible security which would give it a permanent lien on railways, ports or other works of vital interest to the territory

The Commission considered that a pronouncement by the Council tending to dispel this lack of confidence would greatly improve the economic prospects of mandated territories

The Health of Native Workers — The Commission noted with concern references in the reports to the prejudicial effects upon the health of native recruited workers when transferred from one region to another in which climatic conditions differ appreciably and drew the special attention of the Mandatories to this matter

VII — Social and Humanitarian Questions

THE OPIUM TRAFFIC

a) *Representation of the United States on the Fifth Committee of the Assembly* — The Minister of the United States at Berne has informed the Secretary General

that the United States Government has accepted the invitation of the Council to send a representative to the Fifth Committee of the Assembly (Social and Humanitarian Questions) to attend the debates on the traffic in opium. The United States delegation will attend the meetings in an advisory capacity.

b) *Seizures of opium and other dangerous drugs*. — The Department of State of the Republic of Cuba has informed the Secretary General of the confiscation and destruction by the Havana authorities of 440 kilograms of raw opium and 49 tons of morphine.

The French Government has informed the Secretary General of the confiscation of a quantity of cocaine apparently of Swiss origin at Perpignan.

VIII — Forthcoming Events

In session	Fourth Assembly of the League of Nations	Geneva
September 10th	Preparatory Statistical Committee,	Brussels
October 8th	Second session of the Committee of Government Experts on	Double Taxation
		Geneva
October 15th	International Customs Conference	Geneva
October 22nd	Fifth session of the International Labour Conference	Geneva
November 15th	Second Conference on Communications and Transit	Geneva

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Vol III No 9

October 15th 1923

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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

SEPTEMBER 1925

October 15th 1925

Vol. III No. 9

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I — Summary of the Month

During the month of September the Assembly and the Council met in Geneva, the Council for its twenty-sixth session and the Assembly for its fourth session. The Permanent Court of International Justice also concluded its third session at the Hague while an International Conference for the Repression of the Traffic in Obscene Publications was held at Geneva.

1 *The Permanent Court of International Justice* — The Court made known on September 10th its advisory opinion on the question of the status of certain categories of German colonists in Poland, and on September 15th its opinion on the interpretation of Article 4 of the Polish Minorities Treaty. Both opinions recognise the competence of the League in these matters.

M. Lpiciaco Pezosa, former President of the Republic of Brazil, was duly elected by the Council and the Assembly to succeed the late M. Ruy Barbosa as judge of the Permanent Court.

2 *The Council* — The twenty-sixth session of the Council was held from August 31st to September 20th. At this session Belgium was represented by M. Hymans, Brazil by M. Rio Branco and afterward by M. De Mello Franco, China by M. Tang Tsai Fou, France by M. Hanotaux, Great Britain by Lord Robert Cecil, Italy by M. Salandra, Spain by M. Quinones de Leon, Sweden by M. Branting and Uruguay by M. Guirao.

Thirteen other States took part in certain deliberations of the Council on questions which concerned them, namely Albania, Finland, Greece, Hungary, Persia, Poland, Roumania, the Serb-Croat-Slovene Kingdom, Soviet Finland, Czechoslovakia, Estonia, Latvia and Lithuania.

The Italo Greek conflict was brought before the Council by Greece at its meeting of September 1st and discussed in many subsequent sessions. An interchange of notes took place between the Council and the Conference of Ambassadors with the result that the difficulty was declared settled before the Assembly rose. Certain juridical questions arising out of it, however, were referred to a special committee of jurists to report to the next meeting of the Council in December.

In addition, the question of delimitation at the frontier between Poland and Czecho-Slovakia in the Javorina district came before the Council, the juridical aspect being referred on agreement of the two Parties to the Permanent Court of International Justice for an advisory opinion.

Two questions concerning Greece and Turkey—one regarding the execution of the Convention on the Exchange of Greek and Turkish populations and the other regarding the application of Article 107 of the Treaty of Lausanne—were also dealt with by the Council.

The Council noted the modifications made at the suggestion of the Mandates Commission by the Governments of Great Britain and Belgium in the Ruand frontier and announced the putting into force of the British Mandate in Palestine and the French Mandate in Syria. Several meetings were taken up with the consideration of questions relating to the protection of minorities in Albania, Estonia, Latvia, Lithuania and Poland, and certain modifications made by the Council in the procedure hitherto followed in minority questions.

During the session of the Council, the Financial Committee drew up two plans for the creation of Bonds of issue in Danzig and Albania, and the Council approved a plan, also drawn up by the Financial Committee, for the establishment of refugees in Greece. The Council also adopted a resolution on the financial reconstruction of Hungary.

3 *The Fourth Assembly* — The Fourth Assembly of the League of Nations met at Geneva from September 1st to 29th. Forty-seven States Members of the League were represented at the outset, two new Members, the Irish Free State and Abyssinia being admitted in the course of the Session.

The list of participating States was, therefore

Abyssinia	Finland	Panama
Albania	France	Paraguay
Australia	Greece	Peru
Austria	Haiti	Poland
Belgium	Honduras	Portugal
Brazil	Hungary	Roumania
British Empire	India	Salvador
Bulgaria	Irish Free State	Kingdom of the Serbs, Croats and Slovenes
Canada	Italy	Siam
Chile	Japan	South Africa
China	Latvia	Spain
Colombia	Liberia	Sweden
Costa Rica	Lithuania	Switzerland
Cuba	Luxemburg	Uruguay
Czechoslovakia	Netherlands	Venezuela
Denmark	New Zealand	
Estonia	Norway	

The Argentine Republic, Bolivia, Guatemala, Nicaragua and Peru were not represented.

The proceedings were opened by the Acting President of the Council, Viscount Linn, who briefly summarized the work of the League since last Assembly, adding that each year of the League more deeply rooted in the international life of the world, its work extending in scope and its administrative organization growing more effective.

a) *Election of the President* — M Cosme de la Torriente y Peraza, Delegate of Cuba was elected President of the Fourth Assembly receiving twenty four votes out of forty five cast. In his address M de la Torriente thanked the Assembly for the honour which it had done to his country, and said that supported by the example of his predecessors he would endeavour to bring its work to a successful issue.

b) *Distribution of work* — The work of the Assembly was distributed among six principal Committees constituted as in the preceding years each Committee being composed of delegates of all nations represented at the Assembly. The Committee meetings were open to the public. The list of the main Committees was as follows:

No 1 *Legal and Constitutional Questions* such as the amendments to Articles X and XVI of the Covenant.

No 2 *The Work of the Technical Organizations* including the reports of the Health, Transit, and Economic and Financial Organizations and the part of the report on Greek refugee dealing with schemes drawn up or contemplated for the final settlement of these refugees.

No 3 *The Reduction of Armaments*

No 4 *The Budget of the League and Financial Questions*

No 5 *Social and General Questions* such as the traffic in opium and other dangerous drugs the traffic in women and children the protection of women and children in the Near East refugee problems and the work of the Committee on Intellectual Cooperation.

No 6 *Political Question*

The following officers were elected by the Committee.

Committee I

Chairman M Motta (Switzerland) Vice Chairman Sir Lomer Gougeon (Canada)

Committee II

Chairman The Maharajah Jam Sahib of Nawanagar (India) Vice Chairmen Baron Beyens (Belgium) and M Avramovitch (Serb-Croat-Slovene Kingdom)

Committee III

Chairman M Skirmunt (Poland) Vice Chairman M Vasconcellos (Portugal)

Committee IV

Chairman M Momtchilo Nintchitsch (Kingdom of the Serbs, Croats and Slovenes) Vice Chairman M Adate (Japan)

Committee V

Chairman M de Mello Franco (Brazil) Vice Chairman Professor Gilbert Murray (South Africa)

Committee VI

Chairman M Hymans (Belgium) Vice Chairman M Titulesco (Roumania)

The Chairman of the Assembly Committee are *ipso facto* Vice Presidents of the Assembly. After their designation, the Assembly proceeded to the election of 15 other Vice Presidents in order to complete the Bureau of the Assembly, which consists of the President, the Secretary General and twelve Vice Presidents. The 15 Vice Presidents chosen by vote of the Assembly were

Lord Robert Cecil	British Empire
Viscount Ishii	Japan
M. Hanotaux	France
Count de Gimeño	Spain
Dr. Fortoul	Venezuela
M. Pusta	Estonia

In addition to these Committees, an Agenda Committee consisting of the following members, was appointed

M. Dussan (Chairman)	Roumania
M. Hymans	Belgium
M. Erich	Finland
M. Loudon	Netherlands
Sir James Allen	New Zealand
Prince Charbon	Siam
M. Guarri	Uruguay

c) *General Debate* — The discussion of the subjects before the Assembly began at the fourth plenary meeting with the election of a judge to the Permanent Court in place of M. Ruy Barbosa, deceased, and the admission of the Irish Free State to the League. The debate on the work of the Council, which was opened at the 15th meeting of the Assembly, was terminated at the eleventh meeting.

Reviewing the whole field of League activity, the Assembly approved the proceedings of the Technical Organisations (Financial and Economic, Communications and Transit, and Health) the aim of which is to realise in a practical way inter-governmental collaboration in technical matter and to prepare the way for international agreements. It also indicated certain general lines of activity for the future, both for these Technical Organisations and for the Advisory Committee. It received detailed reports of the work on the financial reconstruction of Austria which it declared to be the most notable effort in this line since the war. It drew up a programme of work for the Intellectual Cooperation Committee.

A Protocol of Convention concerning Arbitration Clauses in Commercial Contracts was opened for signature by States Members of the League, the constitution of the Health Organisation was made definitive and it was resolved that during next year two conferences should be summoned on the traffic in opium and other drugs.

On the subject of armaments, the Assembly asked the Council to submit the draft Treaty of Mutual Assistance to the Governments, and to prolong for another year the mandate of the Temporary Mixed Commission on Armaments.

The Assembly made no constitutional changes. It referred to the next Assembly amendments proposed by the British Government to Article XVI of the Covenant while in interpretative resolution on Article X which had been submitted to it by the First Committee of the Assembly was not adopted. The Members of the League were invited to hasten the ratification of amendments passed by the Second Assembly.

The election of the six non permanent Members of the Council had the following results: Uruguay, Brazil, Belgium, Sweden, Czechoslovakia and Spain.

attended this international conference which met in Geneva from August 31st to September 12th under the presidency of M. Gaston Deschamps. A new Convention was drawn up and signed by twenty nine States. The Conference also recommended the Secretary General of the League to draw up a periodical questionnaire in the trade in opium publications.

II — The Permanent Court of International Justice

1 — ADVISORY OPINION ON CERTAIN QUESTIONS CONCERNING THE GERMAN MINORITIES IN POLAND

On September 10th the Permanent Court of International Justice delivered its advisory opinion on the question submitted to it concerning the German settlers in Poland.

As will be remembered the Council of the League of Nations had asked the Court first whether the question of the rights of certain categories of such settlers fell within the competence of the League of Nations under the Polish Minorities Treaty and second provided the first question was answered in the affirmative whether the position taken by Poland with regard to those settlers was in conformity with its international obligations.

The categories of settlers concerned were *firstly* such holder of so called *Reutengutsverträge* (contracts for the acquisition of landed property by means of payment of a yearly rent) as had not obtained *inflation* (a legal act confirming the rights acquired by the contract) before the date of the Armistice and *secondly* holder of so called *Pachtverträge* (lease) who had obtained after the Armistice a *Reutengutsvertrag* for the land which they had previously held under lease.

The Court's answer was that the Council of the League was competent in the matter and that the Polish attitude was contrary to the international obligations assumed by Poland with regard to its minorities. The reasons for which the Court arrived at these conclusions can be summarised as follows.

The Court first dealt with the competence of the Council. In this respect it held contrary to the Polish view that the matter had been duly brought to the attention of the Council according to the terms of the Minorities Treaty and in conformity with the procedure laid down by the Council itself to govern its action in minorities matters. The Court further held that the Polish Law of July 14th 1920 by which the rights of the German settlers had been nullified from their lands was intended to affect and in fact affected a racial minority within Poland. The motives for which the law had been enacted namely, the *De-germanisation* of the Polish territories which had been Germanised by Prussia before the war might be comprehensible but the object of the *Minorities Treaty* in the opinion of the Court was precisely to prevent such action. The Court finally held that the fact that the action taken by Poland was in the exercise of rights conferred or alleged to have been conferred on her by the Peace Treaty did not exempt the matter from the Council's competence since if the Council ceased to be competent whenever a subject before it involved the interpretation of an international agreement the *Minorities Treaty* would to a great extent be deprived of its value. The interpretation in the present case of the Peace Treaty was to be considered as incidental to decisions of questions arising under the *Minorities Treaty*.

Adverting now to the question of the conformity of Poland's attitude with its international obligation the Court first dealt with a point common to both categories of settlers concerned in the matter namely the question of the importance of the date of the Armistice. On the basis of certain clauses of the Peace Treaty of the Preamble to the *Minorities Treaty* and of the *Armistice Convention* the Court held that the lands on which these settlers were established had passed

from Prussia to Poland not as from the date of the Armistice, but only as from the date of the coming into force of the Peace Treaty. For reasons connected with the nature of the contracts held by the settler, the Court further considered that the prohibition imposed upon Germany by the Armistice Convention and by the subsequent protocol signed at Spa on December 1st, 1919, to remove property which might serve as a common pledge of the Allies for their reparation claims did not affect the validity of the contracts.

After having laid down that these contracts were contracts under German law and that German law is still in force in the ceded territories, the Court gave a statement as to the nature of the *Reutengutsverträge*, which both in form and in substance were a special kind of contracts of sale, conferring on the purchaser rights which even before the *Auflassung* were enforceable at law. It was true that he was not the owner of the land in the technical sense of the word, but he had an enforceable right to obtain legal ownership.

The question then arose in what way the contracts in question were affected by the change of sovereignty and of the ownership of State property in the territories concerned. In this respect the Court held that private rights should be respected by the new territorial sovereign. It cannot be maintained, the Court said, that private rights including those from the State as the owner of the property, are invalid as against a successor in sovereignty, and the private rights of the settlers in question were, in the opinion of the Court, protected by the Minorities Treaty, since the application of the Polish law of 1920 would be contrary to the obligation assumed by Poland that all Polish nationals should enjoy the same civil rights.

The conclusion arrived at on the basis of general principles and of the Minorities Treaty was not impaired by any of the provisions of the Peace Treaty or of the clauses of the contracts themselves. On the contrary, the Court found that the principle of respect for private rights in the case of a change of sovereignty was clearly recognised by the Peace Treaty.

Having arrived at this point, it remained for the Court to consider whether the *Auflassung* made after the Armistice was contrary to the provisions already referred to of the Armistice Convention and of the Spa Protocol. On this point the Court came to the conclusion that since the *Auflassung* constituted only the fulfilment of the contractual obligations assumed by the Prussian State when entering into the *Reutengutsverträge*, which in themselves constituted alienation of property, the *Auflassung* could not be considered as a removal of securities or a diminution of value in the sense of the said documents.

The Court in the first place dealt with the settlers holding their lands under *Pachtverträge*. In this respect the Court laid down, on the basis of an analysis of the contracts in question, that they established very close relations between the holder and the land, and conferred on the holder certain important rights with respect to the land. The Court further laid down that, for these reasons, the *Pachtverträge* were not affected by the transfer of sovereignty, and that they remained in force unless they had expired or had been legally superseded by *Reutengutsverträge*. Further, under the very terms of the *Pachtverträge*, it was usual for the holder to exchange the *Pachtverträge* against the *Reutengutsverträge*; such an exchange, therefore, constituted a reasonable and proper operation in the ordinary course of management of land by the Prussian State, which maintained its administrative and proprietary rights in the ceded territories until they passed to Poland on the coming into force of the Peace Treaty. The only ground on which it could be contended that the *Reutengutsverträge* having superseded *Pachtverträge* after the Armistice were invalid would therefore be that they were contrary to the Armistice conditions or the Spa Protocol, but the Court held that in view of the connection existing between the *Pachtverträge* and the *Reutengutsverträge* it could be an unreasonable training of the prohibition of the Protocol to admit such a contention.

2 — THE INTERPRETATION OF ARTICLE 4 OF THE POLISH MINORITIES TREATY

The Permanent Court of International Justice on September 15th gave its advisory opinion on the question submitted regarding the interpretation of Article 4 of the Polish Minorities Treaty.

According to this Article Poland admits and declares to be Polish nationals, nationals *ipso facto* persons of German nationality who were born in the territory ceded to Poland by Germany of parents habitually resident there.

The Polish Government had interpreted this clause as meaning that the parents of the persons in question must have also been habitually resident in the said territory at the time of the coming into force of the Treaty. The persons concerned laid a complaint before the League of Nations whereupon Poland disputed the competence of the League of Nations to deal with the question on the ground that the persons in question were not yet Polish nationals and could not therefore constitute a minority.

The Court to which the disputed points were referred has arrived at the conclusion that the League of Nations is competent. It has also decided that the terms of Article 4 only require the parents of the persons in question to have been habitually resident in the territory ceded at the time of the birth of such persons.

With regard to the question of competence the Court, basing its opinion on the wording of the Treaty considered that the minorities referred to might be minorities of the inhabitant without regard to the question of their political allegiance. Furthermore the very fact that clauses concerning nationality were inserted in the Minorities Treaty proved that the acquisition of Polish nationality by ex-Germans was placed under the protection of the League of Nations, for otherwise the clauses in question would, to some extent overlap the corresponding provisions of the Treaty of Peace.

With regard to the additional condition imposed for the acquisition of Polish nationality the Court considered it to be arbitrary and unsupported by the terms of the Treaty. Moreover seeing that it tended to diminish the value of the Treaty the Court found it to be inadmissible.

3 — ELECTION OF A JUDGE

The first special election of a judge of the Permanent Court of International Justice was held during the meetings of the Assembly and the Council in order to replace Judge Ruß-Barbosa deceased.

In accordance with the Statute of the Court the two bodies voted separately on September 10th. The Assembly on its first ballot gave a large majority to M. Epitácio da Silva Pessoa. Immediately afterwards the Council announced that it also had selected M. Pessoa who was therefore declared duly elected.

M. Pessoa was formerly President of the Republic of Brazil, Delegate of Brazil to the Peace Conference and Judge of the Federal Tribunal of Brazil. His name was put in nomination by twenty-two of the national groups of judges of the Hague Court of Arbitration.

4 — APPOINTMENT OF THE CHAMBER FOR SUMMARY PROCEDURE FOR 1924

The Registrar of the Permanent Court of International Justice has informed the Secretary General that in execution of Article 14 of its Rules of Procedure the Permanent Court has constituted as follows the Chamber for Summary Procedure for 1924. (1)

Chairman

Members

Deputy Members

M Løde

M Weiss

M Huber

Lord Finlay

M Utsumi

The term of office of the above named Members begins on January 1st, 1921, and ends on December 31st of the same year

III — The Reduction of Armaments

The Fourth Assembly decided to ask the Council to communicate the draft Treaty of Mutual Assistance to all Governments with a request for their opinion. In its meeting of September 29th the Council decided to communicate the draft to the Governments Member of the League, but to postpone to its next session the question of transmitting the draft to States not Members of the League. The draft was drawn up by the Third Committee of the Assembly, whose rapporteur was M. Benes of Czechoslovakia, on the basis of the work done by the Temporary *Vix d'Commission* for the Reduction of Armaments and the Permanent Advisory Commission on Naval, Military and Air questions.

The Assembly furthermore decided to continue working for a limitation of national expenditure on armaments as well as to collect statistics and distribute information on the whole subject. The questions of private manufacture of munitions, the control of the traffic in arms, home defence, the extension of the principles of the Washington Naval Convention to non-signatory States and regional agreements for the reduction of armaments will also continue to be studied.

1. THE DRAFT TREATY OF MUTUAL ASSISTANCE (1)

The Third Committee of the Assembly unanimously decided that the draft Treaty marked the achievement of definite progress in the difficult question of the reduction of armaments, in spite of the fact that it did not consider it feasible under existing circumstances to recommend the immediate adoption of the draft by the Government Members of the League. The draft Treaty, which is the fruit of two years' work by the Temporary Mixed Commission revised in accordance with the decisions of the Assembly, is based on the general principle of the interdependence of the reduction of armaments and mutual guarantee. The Guarantee Treaty is therefore essentially a method proposed by the League Committee on Disarmament to translate Article VIII of the Covenant into terms of practical politics. Article VIII declares:

The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations. The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

In accordance with the draft Treaty, which begins with a preamble solemnly outlawing wars of aggression, the process of bringing the guarantee into force in exchange for a reduction of armaments would take place as follows:

In the first stage, the general guarantee could be laid down in principle and defined by the Treaty, while for certain States this guarantee would be supplemented by special treaties. In the second stage, each State would estimate how far it

(1) The Text of Treaty occupies 30 of the number.

consider itself able to reduce its armaments as a result of the guarantees afforded by the General Treaty and the supplementary treaties. In the third stage the Council would draw up a plan for reduction of armaments on the basis of these estimates and in accordance with Article VIII of the Covenant. In the fourth stage the States concerned would undertake to apply the scheme of disarmament that had been drawn up within a period of time fixed by the Treaty. Finally the guarantees would come into force as soon as this undertaking had been given and at the same time the terms of Article VIII of the Covenant relating to disarmament would begin to be carried out.

The draft is accompanied by a discussion of ways of defining cases of aggression that will be sent to the Governments for their information.

The General Guarantee Treaty may be supplemented by defensive agreements more local in scope that will allow for the conclusion of military conventions. Certain States, which for various reasons considered themselves specially threatened insisted on the impossibility of reducing their armaments in exchange for merely a general guarantee under which the technical preparation and consequently the rapidity and efficacy of possible help might remain doubtful. The report of all countries declared unanimously that assistance could be considered immediate and effective only if it were rendered in accordance with plans laid down beforehand. On the other hand objections were raised against special treaties on the ground that they might lead to a return of the old system of alliances that had shown itself so dangerous for the life of Europe. The opponents of special treaties pointed out that the setting up of rival defensive agreements and the existence of rival groups might result in new competition in armaments or at least in a strained political situation gravely endangering peace.

In spite of these serious objections the majority of the Third Committee considered that it was necessary in view of the exigencies of present-day international politics to retain the system of supplementary defensive agreements in the draft Treaty. The Powers concluding special treaties could not however enjoy the protection of the General Treaty unless their special agreements had been recognised by the Council not to be contrary to the spirit of the Covenant and in conformity with the general scheme of mutual assistance.

In order to fulfil these conditions the special treaties must be registered with the Secretariat of the League and published in accordance with Article XVIII of the Covenant. When admitting the necessity for special treaties the Committee was strongly influenced by the fact that such treaties already existed and that their existence might be considered legitimate under Article XXI of the Covenant. Thus according to the present scheme the Council would merely incorporate these treaties in a general scheme of mutual aid and disarmament and render them subject to its own approval. It was felt preferable to have treaties of this sort published and under control than to have them concluded as secret treaties with all the dangers for the peace of the world that this would involve.

Lastly the Treaty allows for special circumstances such as the position of States bound by the Peace Treaties, of States that consider they can reduce their armaments without requiring the protection of the Treaty and finally of the South American States.

2. — OTHER QUESTIONS CONCERNING THE REDUCTION OF ARMAMENTS

The Assembly decided to prolong the existence of the Temporary Mixed Commission for a further period of one year and laid down the general lines of the work it should accomplish during this time. It was asked to continue its statistical enquiry and to use the results for putting into practice its plan for the exchange of military information. The Commission was further instructed to work out one or more draft conventions for replacing the St. Germain Convention for the

control of the traffic in arms. The Assembly requested the Council to invite the Government of the United States to appoint representatives for co-operating with the Commission in framing these drafts. It further requested the Commission to prepare a draft convention on the private manufacture of arms and munition of war in cooperation with the Economic Committee. The Assembly asked the Commission to make every effort to ensure the fullest publicity for the report that the Committee of Enquiry is to present on the possible future developments of chemical warfare. The Commission was further more asked to enquire into the possibility of recommending the adoption of regional agreements for the reduction of armaments side by side with the general scheme for the same purpose. These draft regional agreements would then be communicated to such State Members of the League as were in a special geographical position.

The Assembly noted with satisfaction that during the last three years the States Members of the League with very few exceptions had been able to reduce their expenditure on armaments. It asked the Council to recommend to members of the League not to exceed their present annual total expenditure on military, naval and air armament during the period necessary for working out and adopting the general scheme for the reduction of armaments.

IV — General Questions

1. ELECTION OF THE NON-PERMANENT MEMBERS OF THE COUNCIL

a) *Electional Procedure*. — For the election of the non permanent Members of the Council, the Assembly adopted the rules of procedure drawn up last year (selection by secret ballot, list of names for more than one seat, majority rule, etc.), referring to the Fifth Assembly a recommendation of the Third Assembly respecting the rules as to the duration of their mandate and their re-eligibility. The Assembly also urgently recommended Members of the League, and especially the Members of the Council to ratify the amendment to Article IV of the Covenant under which the Assembly by a two thirds majority would be empowered to lay down definite rules for the election of non permanent Members especially as regards their mandate and re-eligibility. The Assembly further reiterated the wish that the election of the six non permanent Members should take place with due consideration for the main geographical division of the world, the great ethnic groups, the different religious traditions, the various types of civilisation and the chief sources of wealth.

b) *Election of the six non permanent Members of the Council*. — The Assembly on September 20th, elected the six following non permanent Members of the Council (Forty five States voted, the absolute majority being therefore twenty four).

Uruguay	40 votes
Brazil	34 —
Belgium	33 —
Sweden	31 —
Czechoslovakia	30 —
Spain	30 —

2. — THE FIXING OF REGULAR DATES FOR THE COUNCIL SESSIONS

The Council, on August 1st, decided to hold every year four regular sessions opening on the Mondays immediately preceding or falling on December 10th, March

10th June 1923 and on the third day before the Assembly. A proposal to this effect had been brought before the Council by the representative of the British Government so that there might be a definite date for meetings of the Council which would enable the Members of the Council to make the necessary arrangements for continuous attendance at each Session.

This decision does not in any way limit the freedom of every Member of the League to demand an emergency meeting of the Council at any date between the regular sessions.

3 — ADMISSION OF NEW MEMBERS TO THE LEAGUE

Two applications for membership of the League, that of the Irish Free State and that of the Kingdom of Ethiopia, were received and unanimously approved by the Assembly thus bringing the total membership of the League to fifty-four States.

As in previous instances the applications were passed by the Sixth Committee of the Assembly which had to consider whether the requests were in order whether the applicant State was fully self governing, and what had been its acts and declarations regarding its international obligations and the stipulations of the League with reference to armaments. The Committee also discussed information as to whether the State in question was recognised *de jure* and *de facto* and whether it possessed a stable government and well defined frontiers.

a) *Admission of the Irish Free State*

The Irish Free State was represented at the Assembly by its President, Mr. M. W. T. Cosgrave by Mr. John MacNeill Minister for Public Education and Mr. Desmond Fitzgerald Minister for Foreign Affairs. The Sixth Committee found and the Assembly approved that the Irish Free State was fully self governing that it had agreed to carry out all the obligations of membership in the League that the Irish Parliament had passed a law known as 'The League of Nations (Guarantee) Act 1923', and that no difficulties existed as regards its armaments. The Committee also found that the Irish Free State was a Dominion forming part of the British Empire under the same conditions as the other Dominions which are already Members of the League, and that it possessed a stable government and well defined frontiers (provision for the final delimitation of a part of the boundary being made in the Treaty constituting the Irish Free State).

The admission of the Irish Free State was voted unanimously by a roll call vote. The Irish delegates were immediately afterwards given their seats, and President Cosgrave invited to address the Assembly. After expressing the deep gratitude of the Irish people for the welcome given to them, President Cosgrave said that Ireland after a long journey through many tribulations, joined the other nations in a solemn covenant to exercise the powers of her sovereign status in promoting the peace, security and happiness and the economic and cultural wellbeing of the human race.

b) *Admission of the Kingdom of Ethiopia*

The Kingdom of Ethiopia was represented at the Assembly by Dedjirgnath Nideon Count Lamart de Bell fondé and Alto Fassika. The delegation, after meeting the general questions regarding membership in the League also made certain specific declarations according to which Ethiopia adheres to the obligations formulated by the Convention of St. Germain concerning the treatment of slaves and also to the new Convention concerning the control of the traffic in arms and

munitions. She declared herself ready to furnish the Council with any information which it might require, and to take into consideration any recommendations which it might make with regard to the fulfilment of these obligations in which she recognised that the League of Nations was concerned.

4 — INTERNATIONAL AGREEMENTS

a) Ratification of Amendments

Sir James Allen, Delegate for New Zealand, asked the Assembly to suggest a solution for the difficulty which has arisen in carrying amendments to the Covenant owing to the provision in Article XXVI of the Covenant that "amendments to this Covenant will take effect when ratified by the Members of the League whose representatives compose the Council."

At the present moment only a few of the ratifications required by the Covenant are lacking to bring into force the amendments voted by the Second Assembly (1921) to Articles IV (Election of Non Permanent Members of the Council), VI (Allocation of Expenses), XII, XIII, XV (Arbitration and Judicial Settlement), and XXVI (Ratification of Amendments to the Covenant). From information received, it would appear that the constitutional procedure necessary for ratification is nearing completion in several States whose ratifications are still necessary.

Thus, the Governments of Brazil, Czechoslovakia, Estonia and Roumania have deposited with the Secretariat the instruments of ratification of the Protocols adopted by the Second Assembly, concerning the amendments to Articles IV (Election of the Non Permanent Members of the Council), VI (Allocation of Expenses), XII, XIII, XV (Arbitration and Judicial Settlement) and XXVI (Ratification of Amendments) of the Covenant.

The Italian and Lithuanian Governments have ratified the amendment to Article VI of the Covenant.

In these circumstances the Assembly requested the Secretary General to approach the Assembly Delegations of the States Members of the League which had not yet deposited their ratifications, in order to ask them to urge upon their Governments the expediency of ratifying these amendments as quickly as possible and, if they see no objection, to announce their intention of ratifying the amendments to Article XVI.

b) Draft Amendments to Article XVI and Article 2

Two proposals for further amendments to the Covenant were submitted to the Assembly, one by the British Government concerning Article XVI and the other the proposal made last year by the Canadian Government concerning Article 2.

The Draft Amendment to Article XVI — The object of the British draft amendment to Article XVI is to make more clear what criteria should be employed when a decision is taken as to prohibition of intercourse between nationals of the Covenant breaking State and nationals of any other State.

The second sentence of paragraph 1 of Article XVI, as amended by the Second Assembly, is worded as follows:

Which (i.e. States Members of the League) hereby undertake immediately to subject it (i.e. a State violating the Covenant) to the severance of all trade or financial relations, the prohibition of all intercourse between persons residing in their territory and persons residing in the territory of the Covenant breaking State and the prevention of all financial, commercial or personal intercourse between persons residing in the territory of the Covenant breaking State and persons residing in the territory of any other State, whether a Member of the League or not.

The British amendment would modify this phrase as follows:

Which hereby undertake immediately to subject it to the suzerainty of all trade or financial relations and to prohibit all intercourse *even if not between the nationals of the Covenant-breaking State and those of another power residing within the territory of the Covenant-breaking State and to prevent all financial, commercial or personal intercourse even if not between the nationals of the Covenant-breaking State and the nationals of any other State whether a member of the League or not* least between persons residing in the territory of that State and those residing in the territory of any other State whether a Member of the League or not.

The Assembly decided to postpone the discussion of the British proposal to the Fifth Assembly for several reasons—one of which was that the text adopted by the Second Assembly had not yet come into force owing to the absence of the necessary number of ratifications.

The Draft Amendment to Article X — The question of Article X was raised by the Canadian Government at the First Assembly and has since been discussed at succeeding Assemblies.

At the First Assembly the Canadian Delegation suggested that Article X should be struck out. Article X states:

The Members of the League undertake to respect and preserve against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

In 1921, the Second Assembly, in view of the great differences of opinion expressed concerning the scope and significance of this Article and its relation with the other Articles of the Covenant, as well as the importance of the legal and political arguments invoked both for and against elimination postponed the question to the Third Assembly.

At the Third Assembly in 1922, the Canadian Delegation abandoned its original suggestion and proposed two amendments instead. These proposals were communicated to the Governments Members of the League with a request for their opinions before the meeting of the Fourth Assembly.

On the basis of the opinion received, and after exhaustive discussion the Juridical Committee of the Fourth Assembly proposed a Resolution interpreting Article X.

By this Resolution the Council should take into account the special circumstances and geographical position of each State Member of the League when recommending the application of military measures as a result of aggression or the threat of aggression. Furthermore, it should be for the constitutional authorities of each State to decide in what degree the State concerned is bound to assure the execution of its obligations under Article X by the employment of its military forces. Although the recommendation made by the Council should be regarded as of the highest importance and should be taken into consideration by all the Members of the League with the desire to execute their engagements in good faith.

This Resolution, according to the Rapporteur of the Juridical Committee of the Assembly, could not alter but would merely clarify the sense of Article X. Article X does not that is, necessarily imply immediate military intervention, and the Assembly Resolution requesting the Council to take into account the geographical position and special conditions of each State would apply only to cases where the Council considered it necessary to recommend military measures.

On the other hand, the Assembly Resolution would make the legal status

of the Council's recommendation clear and unequivocal. There is no doubt that the constitutional authorities of each country have the right of deciding what effect is to be given to the recommendation of the League Council. But this decision must not be based on mere opportunism: the constitutional authorities are bound in good faith to decide to what degree the obligation of mutual aid they have assumed by adhering to the Covenant involves the use of military force.

The Assembly, however, was not able formally to adopt this interpretative Resolution. Out of forty three voting, twenty nine voted for the Resolution, one (Persia) voted against, and thirteen abstained. The Assembly therefore, decided, to communicate the result of the voting to the Council.

c) Registration of Treaties and International Agreements

Among the treaties and international agreements registered with the Secretariat during the month figure

The Treaty of Rapallo and a series of agreements and conventions pertinent thereto, concluded by Italy and the Kingdom of the Serbs, Croats and Slovenes, presented for registration by the Representative of Italy, on the Council and the Minister of the Kingdom of the Serbs, Croats and Slovenes at Berne,

Exchanges of Notes between the United Kingdom and Roumania, France and Egypt, presented for registration by the British Government,

Two postal conventions concluded by Spain and Portugal presented for registration by Portugal,

A series of conventions and exchanges of notes between Finland and other Powers, presented for registration by Finland,

A series of agreements between Germany and various Powers, presented for registration by the German Consulate at Geneva.

An agreement regarding conscription concluded by Denmark and Poland, presented for registration by Denmark,

An additional convention to the Germano-Swiss Convention of December 6th, 1920, with regard to certain Swiss liens in Germany, presented for registration by the Swiss Federal Government.

d) Ratification of International Conventions

The Roumanian and Czechoslovak Governments have deposited with the Secretariat the instruments of ratification of the International Convention for the Suppression of the Traffic in Women and Children and of the Barcelona Convention and Statute on Freedom of Transit. The latter convention has also been ratified by the Norwegian Government, which has at the same time deposited the instrument of ratification of the Convention and Statute on the Regime of Navigable Waterways of International Concern with its additional protocol and the declaration recognising the Right to a Flag of States having no Sea coast. The Federated and Unfederated Malay States have acceded to the Convention and Statute on the Regime of Navigable Waterways and the additional protocol.

Latvia has signed the Optional Clause of the Statute of the Permanent Court of International Justice.

5 — THE BUDGET AND FINANCES OF THE LEAGUE

The Fifth Assembly approved the Budget of the League for 1924, amounting to 23,528,656 gold francs, as compared with 25,673,508 for 1923. From this must be deducted a sum of 95,050 gold francs, the surplus from previous financial periods, so that the actual reduction in the 1924 budget from that of 1923 amounts to 2,439,872 gold francs.

The expenditure is allocated as follows: 12,208,440 gold francs for the Secretariat and Special Organisations of the League, 7,032,293 gold francs for the International Labour Office, 1,920,168 gold francs for the Permanent Court of International Justice, a sum of 2,077,774 gold francs for the Working Capital Fund.

The first draft of the Budget which was approved by the Supervisory Commission, provided for an expenditure of 24,870,570 gold francs. The Assembly therefore made a net reduction of 1,541,834 gold francs. In spite of the constant increase in the activities of the League the reduction has been made with the full concurrence of the Secretary General of the League and the Director of the International Labour Office.

For reasons of economy the Assembly decided to postpone for the present the building of a Conference Hall on the site offered for the purpose last year by the Canton and Town of Geneva.

A certain number of amendments to the regulations for the financial administration of the League which were proposed by the Supervisory Commission and the British Government, were adopted by the Assembly.

The question of the allocation of expenses among the Members of the League again came up for discussion. The scale adopted by the Third Assembly (1922) is to remain provisionally in force for 1924, except for certain modifications, of which the most important is a temporary reduction of 12 units in Japan's contribution in consideration of the terrible disaster which has overtaken that country. The Allocation Committee has moreover been requested to continue its task of perfecting the existing scale in order to submit to the Fifth Assembly a definite and final scheme for the allocation of expenditure.

6 — THE PRINCIPLE OF CLOSER MUNICIPAL RELATIONS

The Assembly decided to place on the agenda of its next session a proposal submitted by the Cuban delegation concerning the maintenance of direct relations between important municipalities of different countries, which is a new form of cooperation between peoples. These relations it is considered will contribute largely to diffusing the ideals which led to the creation of the League² and which guide its work.

The Assembly decided to accept with the greatest sympathy the principle of such relation, which the Santiago Conference recommended to the members of the Pan American Union for adoption.

7 — TRAVELLING FACILITIES FOR GROUPS OF STUDENTS, BOY SCOUTS AND GIRL GUIDES

The Assembly passed a resolution inviting State Members to grant all possible facilities for travel to groups of students of secondary schools, Boy Scouts and Girl Guides.

V — Technical Organisations

1 — WORK OF THE LEAGUE HEALTH ORGANISATION

The Fourth Assembly approved the plan for the definite constitution of the League Health Organisation prepared by a mixed Committee representing the Office International d'Hygiène Publique and the League Health Committee. The carrying out of this plan will eliminate the danger of overlapping by the two bodies and the consequent waste of effort.

The scheme stipulates that the Committee of the Office International d'Hygiène Publique, which meets twice a year and is composed of government representatives, should be used as the Advisory Council of the Health Organisation. The chairman and one member chosen by the Advisory Council together with six members appointed by the Council of the League after consultation with the Health Committee, will constitute the Health Committee of the League Health Organisation. In addition, the present Health Section of the League Secretariat will continue as before to be the Secretariat of the League Health Organisation.

The Assembly further laid stress on the practical value of the work done and being undertaken by the Health Organisation and particularly emphasised the desirability of continuing and developing the system of interchanges of public health personnel. Three collective interchanges have already been held. The first of these began on September 10th in Washington under the auspices of the United States Public Health Service. In addition, there have been two interchanges for specialists, one in Italy on the combating of malaria and the other consisting of an exchange of higher officials from various public health institutes in different countries. Two further interchanges for specialists on tuberculosis and school hygiene respectively are being organised, as well as four collective interchanges for the year 1924.

It has been possible to organise this work on the present scale largely owing to a grant from the Rockefeller Institute. As a result of a further grant from the Institute, it has been possible to develop the Health Organisation's Service of epidemiological intelligence. The request of the Netherlands Government for an enquiry by the Health Committee as to the possibility of classifying ports according to their facilities for medical inspection and quarantine, was approved in principle, subject, however, to budgetary considerations, as was also the request of the Albanian Government for the technical aid of the Health Committee in drawing up a plan for eradicating malaria in Albania. The Assembly asked the Committee to study the proposal of the Czechoslovak delegate M. Dvorák, that the governments should be asked to co-operate in giving practical application to the work done by the Health Committee on the standardisation of sera and virological tests.

The work of the Epidemic Commission in Russia, Poland, Greece and Latvia was also approved.

2. — THE ECONOMIC AND FINANCIAL ORGANISATION

1) *Report of the Economic and Financial Committee*

The Assembly, on September 24th, approved the work of the Economic and Financial Commission during the past year.

The Financial Committee stated in its report that its chief aim had been to bring about the application of the principles laid down by the Brussels Financial Conference better known as the Brussels Resolutions. The Committee, however, felt bound to acknowledge that the putting into operation of this programme had met with great difficulties owing to the uncertainty, which reigns in regard to the settlement of international debts. As long as this continues, the work of the Committee cannot but be hampered. Nevertheless, despite adverse circumstances, the Committee has dealt effectively with a considerable number of subjects.

In the first place, it has continued to study the general question of exchange and currency and has endeavoured to solve the problems of double taxation and flight of capital for which it hopes next year to propose practical solutions. Secondly, it has undertaken special work to promote the reconstruction of certain European countries, such as the preliminaries in connection with a loan for Greek refugees, the founding of a bank of issue in Albania, and the reform of the finances of the Free City of Danzig.

The Economic Committee has pursued its investigation of certain practical

questions seriously affecting economic life and has taken several steps towards putting its conclusions into concrete and definite form. Thus an International Conference on Customs Formalities will meet shortly at Geneva, while next spring a conference of experts will study the question of unfair competition in the hope of drafting a convention for its suppression.

The Committee has also studied the eventual unification of legislation concerning bill of exchange and bill of order and also the unification of economic statistics. It has conducted an inquiry into the main elements of the present economic crisis, devoting special consideration to the problem of unemployment, and has drawn up the text of a convention on arbitration clauses in commercial contracts.

The Assembly, recognising the great importance which commercial circles attach to this last question, decided immediately to open the Protocol for signature by the States. It further noted the desire expressed by various delegates to see not only the producer protected against unfair competition but also the consumer against dishonest trading and recommended that the Economic Committee should consider the possibility of international action with a view to the protection of consumers. It referred to the Committee for careful examination the proposals of the Japanese delegation respecting the equitable treatment of foreign traders and enterprises.

At its meeting of September 10th the Council prolonged until further notice the term of office of the Economic and Financial Committee, reserving the right to modify if necessary its programme and composition.

b) *The Financial Reconstruction of Austria*

The Assembly noted with satisfaction the success obtained by the League in the work of Austrian reconstruction. M. Ador, rapporteur on this subject and M. Zimmermann, Commissioner General of the League at Vienna, made statements on the work accomplished to date.

M. Ador began by recalling the gravity of the situation in Austria when the League first intervened and summarised the negotiations which led to the Geneva Protocols. He then described the results obtained by the Commissioner General. He particularly emphasised the comparison between the financial assistance furnished to Austria before the League intervened, involving an expenditure by foreign countries of over 25 millions sterling without any real headway being made in the work of economic reconstruction, and the actual intervention of the League which had up to now cost scarcely 7,000 sterling and had resulted in the stabilisation of the crown and the resumption of economic life in a measure for which the most optimistic forecasts could hardly have hoped.

M. Zimmermann briefly recapitulated the progress of reconstruction since his arrival in Vienna. He laid stress on the increase of revenues from securities reserved for the international loans, the growing proceeds from taxation which are now almost double what was estimated at first, and the decrease of state expenditure. In October, 1922 the monthly expenditure was 860 milliards. During the first half year, the expenditure gradually decreased to 712 milliards in August and 643 in September. The revenues which at the beginning amounted to 288 milliards rose during the first half year to 506 milliards.

M. Zimmermann said that he considered that the revival of credit and the improvement of the budget were in themselves encouraging results but that the economic effects of the work of Austrian reconstruction furnished, if possible a still more valuable lesson. The principal condition for the reconstruction of Austria was unquestionably the discontinuance of the export of capital. Confidence being restored a striking return of capital made itself felt at the end of 1922. This led to a supply of foreign currency on the Vienna market, largely in excess of the demand. The savings banks deposits rose from 50 milliards in September, 1922 to 400 milliards at the end of July 1923. The number of unemployed fell from 170,000 in February 1923 to 80,000 at the present date.

M. Zimmermann mentioned that it had too often been stated that the new Austria could not live, because the disproportionate size of her capital appeared to be a fatal handicap. The Commissioner General was, on the contrary, of the opinion that the fact that Vienna was a commercial and banking centre of the first importance told greatly in favour of Austria's future economic life.

The Commissioner General concluded that the confidence placed by the League in private initiative had been amply justified, as the spontaneous adjustment of the general economic life of the country and its re-establishment on a sound footing appeared to be in course of full realisation.

c) The Financial Reconstruction of Hungary

On September 29th, the Council considered a letter concerning the financial restoration of Hungary signed by M. Titulesco (Roumania), M. Yovanovitch (Serbo-Croat-Slovene Kingdom) and M. Beneš (Czechoslovakia), in the presence of the representatives of these three countries and of Hungary.

As a result of this consideration, the Council passed a resolution as follows:

In the event of the Reparations Commission communicating in the near future with the League of Nations and inviting it to cooperate in a scheme for a loan for the financial reconstruction of Hungary, the Council decides to authorise the Secretariat and the Financial Committee to further any preparatory work which the Reparations Commission may think should be undertaken, with a view to permitting the Council to consider at its next session, the conditions under which the loan may be carried into effect.

At meetings of the Council which are concerned with this question, Hungary, Roumania, Czechoslovakia, and the Kingdom of the Serbs, Croats, and Slovenes will be invited to sit as members of the Council; decisions will be taken by a unanimous vote of the Council thus constituted.

d) Draft Constitution of a Bank of Issue in Albania

M. Hunger, Financial Adviser to the Albanian Government, had requested the Financial Committee to advise and cooperate in drawing up an organic draft law for the establishment of a Bank of Issue which had been authorised, in principle, by the Albanian Government. Accordingly, the Financial Committee, in concert with M. Hunger, has drafted a scheme to serve as a basis for the future statutes of this Bank.

The capital of the bank would be fixed at 5 million gold francs, the subscription to which should be paid in full before the Bank commences operations. The usual reserve fund would be provided for by means of a levy of 10% on the profits, and the Bank would be authorised to undertake all operations customary in the case of banks of issue and commercial banks. The term of maturity for commercial bills would not exceed 120 days. This time limit would be extended to six months for bills arising out of transactions of an agricultural nature.

The Bank would undertake the duties of cashier and treasurer to the Albanian Government. It would only be entitled in principle to allow credits, not exceeding 2 million gold francs to the Government; these credits to be redeemed out of the revenue of the current fiscal year in the course of which they may have been contracted.

The Bank would not be entitled to make long term investments. The metal cover for notes issued by the Bank would be fixed at 35%, at least of the total of the bank's liabilities at sight. A portion of this cover might be held in foreign stable currencies, not liable to fluctuation.

The Bank of Albania would be directed by a Board of Directors, any financial group holding at least 20% of the capital being entitled to appoint a representative on the Board. In any case one at least of the directors would represent Albanian capital. Three of them would form a Committee of Management actually resident

in Albania and be responsible for directing the general policy of the Bank. Furthermore a committee of auditors would be established with the right of controlling all operations.

The Albanian Government would exercise supervision over the Bank by means of a Government Commissioner appointed by it after preliminary consultation with the Bank Committee of Management.

On the basis of the organic draft law the Financial Adviser, M. Hunger, and the Albanian Government will in due course approach the various financial groups with a view to taking the necessary steps for raising the capital of the Bank of Issue.

c) *Appointment of the President of the International Conference on Customs Formalities*

The Council has appointed Earl Burton (Great Britain) formerly Chairman of the Board of Trade and Governor of the South African Union, President of the International Conference on Customs Formalities, which meets on October 15th.

3 — COMMUNICATIONS AND TRANSIT

a) *Reports of the Advisory and Technical Committee*

The Fourth Assembly adopted the reports of the Advisory and Technical Committee on Communications and Transit on its work since the Third Assembly.

The main activity of the Organisation for Communications and Transit during the first half of the year centred round the preparation of the second General Conference on Communications and Transit, which will meet at Geneva on November 15th next. The questions to be discussed by the Conference include four draft conventions, the text of which has been drawn up and subjected to expert revision, namely:

1^o A general convention on the international regime of railways. 2^o A convention on the international regime of sea ports. 3^o A convention and statute concerning the conveyance in transit of electric power and 4^o A convention regarding the exploitation of hydro electric power on waterways passing through the territories of more than one State.

The report also dwells on the first application of the procedure for technical conciliation of differences between States with regard to communications as a result of which a dispute of two years' standing between the German and Sarr railway companies was promptly settled by mutual agreement.

In the report figure further various new activities of an essentially practical nature most of which were provided for by the Third Assembly such as the unification of tonnage measurement in inland navigation, the health administration of waterways, the unification of private law in inland navigation, the unification of statistics regarding inland navigation, the supervision of the opium traffic in free ports, customs formalities in transport by air, the question of international driving licences, plans for an international radio telegraphic conference, summer time, the reform of the calendar and an inquiry into the application of the resolution of the Genoa Conference regarding the restoration and improvement of means of communication in Europe.

The Organisation for Communications and Transit is at present working on the following lines. The Advisory and Technical Committee meets in plenary session twice a year in the spring and just before the Assembly. In the intervals between the sessions expert sub-committees prepare the work on special subjects. A permanent nucleus is formed by a small secretariat. In order to avoid overlapping, the Transit Organisation has to keep in touch with all other international bodies, whether League organisation, such as the Health and Opium Committee,

or independent organisations, such as the Fluvial Commissions, the International Railway Union, the International Air Traffic Commission, etc.

At the forthcoming General Conference, the Advisory and Technical Committee will be subject to renewal. The Fourth Assembly thanked the present Committee for the work it had done, and expressed its confidence that the next Committee would continue that work, adopting the same procedure and pursuing the same ideals.

b) Application of Article 107 of the Treaty of Lausanne

The Council, at the request of the British Government, considered on September 29th in the presence of Greek and Turkish delegates the question of the application of Article 107 of the Treaty of Lausanne.

This article provides for the freedom of transit over the sections of the railway lying between the Greco-Bulgarian frontier near Adrianople and the Greco-Turkish frontier near Kueh Burgaz and the supervision of the execution of these provisions by a commissioner to be selected by the Council of the League.

The Council appointed Mr. Tard (France) to this office.

c) Appointment of the President of the Second General Conference on Communications and Transit

The Council has appointed Senator Gotti (Italy), former Transport Minister, President of the second General Conference on Communications and Transit, which is convened to meet on November 15th at Geneva.

4 — THE COMMITTEE ON INTELLECTUAL COOPERATION

The work of the Committee on Intellectual Cooperation was discussed at length by the Fourth Assembly in order to provide the Committee with the necessary means for its fuller organisation and for the execution of its programme.

The Assembly stressed the desirability of increasing the authority of the Committee by enlarging it in order that it might be thoroughly representative. The Assembly therefore requested the Council to consider the possibility of increasing the number of members on the Committee, introducing at the same time some system of rotation of office.

The Assembly further endorsed a resolution of the Council recommending the extension of the system of national committees on intellectual cooperation to serve as correspondents to the League Committee. Twelve such national committees have already been formed and the Council has authorised the Committee on Intellectual Cooperation to invite to its next session a delegate of each of these bodies.

The Assembly also agreed that certain members of the Secretariat of the Committee should form an International University Information Office. The initial activities of this office might include the communication of the recommendations of the Committee to the competent authorities, particularly to the national university information offices, publication of any information which it may receive especially from national university information offices, regarding curricula, etc., the preparation of a meeting between the University Sub-Committee and the delegates of the international students' association with a view to examining methods of extending the exchange of students, with the concurrence of their universities, and establishment of relations with other organisations existing in various countries for the purpose of rendering changes of professors more frequent.

In regard to the protection of scientific property the Assembly approved the principle of Senator Ruffini's scheme and decided to forward it to all Members of the League, requesting them to communicate their comments, with a view to enabling the text of an international convention to be drawn up.

Another question before the Assembly concerned an offer of the municipality of Capri to place the Charterhouse on the island at the disposal of the artists of various countries. The Assembly authorized the Committee to enter into relations with the municipality.

The reconstitution of the libraries and scientific collections destroyed by the recent earthquake in Japan was also discussed. The Committee was requested to study means of affording international assistance in this matter.

The Assembly also requested the Council to refer to the Committee the proposals of the Spanish Government concerning the equivalent recognition in all States of certain secondary educational diplomas, the creation of an international university and the foundation of a higher educational establishment in each of the countries Members of the League, whose diplomas shall be valid in all countries Members of the League.

The Assembly urged the Governments of States Members to arrange that the children in their respective countries where such teaching is not given be made aware of the aims of the League and the terms of its Covenant.

VI — Administrative Questions

1. — DANZIG

a) A New Currency for the Free City

A definite plan for reforming the currency of the Free City of Danzig, which has up to the present been the German mark and for putting it on a solid basis has been worked out by the Danzig Government which has followed the suggestion of the Financial Committee of the League on this subject, and has made a special agreement with Poland in regard thereto.

According to the programme a new unit of currency called the gulden which is to be one twenty-fifth part of the pound sterling is to be introduced. A bank of issue, the capital to be furnished by private investors is to be founded by a consortium in which Polish banks may participate. It is clearly pointed out that the currency reform is not in any way to affect the provisions in the Treaties concerning the eventual unification of the monetary systems of Poland and Danzig. It is estimated that a foreign loan of several hundred thousand pounds will be required in order to make possible the execution of the reform scheme. Negotiations with regard to such a loan are now going on.

The Council considered the situation at its meeting on September 22nd and expressed its hope that the measures necessary to relieve the financial situation of the Free City would be applied without delay.

b) The Settlement of Questions still outstanding between Poland and the Free City of Danzig

At its meeting of September 1st, the Council noted the agreements reached between August 20th and September 1st by the representatives of Poland and Danzig on about thirty questions outstanding between the two Governments. It expressed to both Parties high appreciation of the successful results thus achieved.

At its foregoing session (1) the Council had recommended that Poland and the Free City should submit all their outstanding disputes promptly, and in conformity with the procedure specified in the different treaties, to the High Com-

(1) See *Monthly Statement*, Vol. III No. 4, p. 85.

missioner of the League at Danzig with a view to enabling the Council at its twenty-sixth session, if necessary to pronounce upon these questions as a whole.

During the interval between the two sessions, negotiations leading to an agreement of the Parties on a considerable number of questions, were pursued at Danzig and Geneva.

The Polish representative and the President of the Senate of the Free City, who were present at the meeting of September 1st, thanked the Council for having by its action pointed the way to the agreement recorded at its twenty-sixth session.

2 — THE SAAR

a) *Preliminary measures to be taken in view of the plebiscite*

The Council on August 31st heard a statement by M. Bonzon, Provisional Records Commissioner of the Saar Territory, regarding the preliminary measures which had been taken in view of the plebiscite.

The decree concerning the measures in question was approved by the Council on April 23rd and promulgated in the Territory on May 9th, 1923⁽¹⁾.

The Council authorised the Provisional Records Commissioner to inspect personally as far as possible the documents mentioned in the decree of May 9th, and follow the execution of the decree by the local authorities.

b) *Appointment of a Member of the Governing Commission*

On September 20th the Council decided to accept the resignation of M. Waugh, Member of the Governing Commission of the Saar Territory, and requested the Secretary General to convey to Mr. Waugh its thanks for the services which he had rendered to the League during his three and a half years' membership of the Commission. In his place, the Council appointed Major G. W. Stephens (Canada) Member of the Commission.

3 — MANDATES

a) *Report of the Permanent Mandates Commission*

The Assembly, noting the reports of the Permanent Mandates Commission and the observations of the duly accredited representatives of the Mandatory Powers, expressed its satisfaction with the notable progress made since the last Assembly in the Mandated territories. It also voiced the confident hope that the Commission would continue to enjoy the co-operation of the Mandatory Powers in the work of effecting a continuous improvement in the moral and material condition of the natives, and, in particular, of the women and children.

The Assembly also expressed its hope that the future reports of the Union of South Africa would contain such information as might allay all misgivings as to the re-establishment of satisfactory conditions in the Bondelzwarts district.

The Council, on September 25th, decided to adjourn until its next session the examination of the work of the Mandates Commission in order to submit its report to careful study. It also decided to invite all Mandatory Powers not represented on the Council to send delegates to participate in the debates on parts of the report affecting their interests.

b) *Entry in Force of the British Mandate for Palestine and the French Mandate for Syria*

M. Salandra, on behalf of the Italian Government, and M. Hanotaux, on behalf of the French, having on September 29th informed the Council that their Govern-

(1) See *Monthly Summary* Vol. III, No. 4, p. 85.

ments had reached an agreement on certain outstanding points concerning the French Mandate for Syria this Mandate and that of Great Britain for Palestine entered *ipso facto* into full operation.

The terms of these Mandates were approved by the Council in July, 1922 with the understanding that both should enter into operation automatically and simultaneously, as soon as the French and Italian Governments made known to the President of the Council that they had reached agreement on certain points relative to the Syrian Mandate.

c) Rectification of the Frontier of Ruanda

On August 31st 1922 the Council took note of an agreement providing for the rectification of the frontier of the Kingdom of Ruanda and approved the necessary amendments of the British and Belgian Mandates.

Under Article I of the British and Belgian Mandates for former German East Africa the frontier between the two mandated areas was laid down in accordance with the Orts Miener Agreement of 1910 concluded by the Belgian and British Governments.

This agreement placed the native communities of Ruanda and Urundi under Belgian Mandate, the remaining portion of the former German colony including the northeastern part of Ruanda—the district of Kissaga—being administered by Great Britain. The latter district was placed under British Mandate in order to allow of the construction of a British railway connecting northern and southern Africa. Later on it appeared that it would have been possible to establish the communication without splitting up the territory of Ruanda.

At its session of August 1922, the attention of the Permanent Mandates Commission was drawn to the fact that the boundary as traced was extremely prejudicial to the interests of the natives, cutting as it did the kingdom of Ruanda in two and thus diminishing the prestige of the native ruler of the territory. This situation was a source of considerable economic difficulties, families owning pasture lands in the district of Kissaga were unable to pass freely from one territory to another, and cattle thefts and conflicts of all kinds were the result. These facts were reported to the Commission by Swiss and French missionaries.

The Permanent Mandates Commission, in its report drawn the attention of the Council to the circumstances described. At its meeting of September 4th, 1922, the Council requested its President to communicate the observations of the Commission to the Belgian and British Governments.

As a result of this measure, the British and Belgian Governments opened negotiations which ended in the conclusion of an agreement providing for the rectification of the frontier and the reconstitution in its entirety of the kingdom of Ruanda under Belgian Mandate. This agreement was communicated to the Secretary General of the League by letters dated August 3rd 1923 from both Governments.

In the course of the debate in Council the representatives of the Mandatories Lord Robert Cecil and M. Hyman joined with M. Branting in congratulating the Permanent Mandates Commission for having drawn the attention of the Council to the matter in hand and having thus obtained a rectification of the utmost importance for the welfare of the natives.

VII — Protection of Minorities

During its twenty sixth session the Council dealt on several occasions with questions concerning the protection of minorities in Latvia, Lithuania, Estonia, Albania and Poland. It also introduced at the request of the Czechoslovak and Polish Governments, certain modifications in the procedure which it had hitherto

adopted in dealing with the questions concerning minorities. The Assembly, for its part, adopted a resolution submitted to it by Professor Gilbert Murray in regard to the same subject.

1 — MINORITIES IN LATVIA

On September 1st, in the presence of M. Meronics, representative of the Latvian Government, the Council took note of the fact that that Government had approved the declaration made before the Council on July 7th (1) last by its representative Dr. Walters in regard to the protection of minorities in Latvia.

2 — MINORITIES IN LITHUANIA

On August 31st in the presence of M. Jonys, delegate of the Lithuanian Government, the Council took note of the information supplied by the Lithuanian Government regarding the adoption of the declaration of May 12th, 1922, for the protection of minorities in Lithuania.

3 — MINORITIES IN ESTHONIA

The Council on September 17th, adopted a resolution and took note of a declaration by the representative of Esthonia regarding the protection of minorities in that country. This step marked the conclusion of the negotiations undertaken, in conformity with the Assembly's recommendation of December 15th, 1920, between the Esthonian Government and the Council with a view to defining the extent of Esthonia's international obligations as regards the protection of minorities and the details of the measures required to carry them into effect.

Information supplied to the Council by the Esthonian representative in a report dated August 28th, stated that protection for the minorities in Esthonia is at present guaranteed under the Esthonian constitution in a manner which conforms to the general principles governing the protection of minorities. By its resolution dated September 17th the Council has reserved the right to consider afresh the legal status of minorities in Esthonia, should this legal status cease to assure the application of these general principles.

For this purpose the Council may request the Esthonian Government to furnish it with any information which it may require on any question regarding the condition of persons belonging to racial, linguistic or religious minorities which may be brought to its notice by one of its members. In the event of any difference of opinion on questions of law or of fact, the point may be submitted for an advisory opinion to the Permanent Court of International Justice. Any statement regarding the position of minorities in Esthonia which may be forwarded to the League of Nations will be communicated to the Esthonian Government for any observations it may wish to offer before circulation to the Members of the Council.

4 — MINORITIES IN ALBANIA

At its meeting on September 17th, the Council took note of information which had been supplied to it by the Albanian Government in regard to Article V of the Declaration of October 2nd, 1921, concerning the protection of minorities. The Council instructed the Secretariat to examine this information with the aid of the Albanian representative, in order that the Council might be in a position to approve

(1) See Monthly Bulletin, July 1922, p. 145.

create the important effort which Albania had made with a view to overcoming the difficulties of the minority problem.

5 — GERMAN MINORITIES IN POLAND

The Advisory Opinions given by the Court of Justice ⁽¹⁾ at the request of the Council regarding the position of German colonists in Poland and the acquisition of Polish nationality recognise the competence of the League of Nations in these questions.

At its meeting of September 25th the Council took note of the advisory opinion pronounced by the Court on September 10th as to the international obligation of Poland in regard to certain colonists of German race who are subjects of Poland. The Council invited the Polish Government to inform it before its next session as to the manner in which that Government proposed to deal with the position of these colonists. M. Skirmunt, Polish representative, stated that he would bring ⁽²⁾ the Council's decision to the knowledge of his Government and draw its particular attention to the solution of this problem.

At the same meeting the Council adopted the opinion of the Court given on September 15th on certain questions which had arisen in connection with the application of Article 4 of the Polish Minorities Treaty referring to the acquisition of Polish nationality. The Council invited its Rapporteur M. da Mello Franco (Brazil) to offer his good offices together with the technical assistance of the Secretariat, to the Polish Government in carrying out any enquiry which might be desirable into the application of the clauses concerning Polish nationality and in conducting any negotiations which the Polish Government might wish to undertake with the German Government in regard to this matter.

M. Skirmunt declared that he would bring the report of the Council's resolution to the notice of his Government and that the latter would make every endeavour to reach a solution of the problem as early as possible.

6 — QUESTIONS OF PROCEDURE

At its meeting of September 5th the Council decided to modify in certain respects the procedure hitherto adopted in regard to the protection of minorities.

The provisions of the treaties concerning minorities lay down the following principles:

The States signatory to these treaties recognise that the provisions concerning minorities constitute obligations of international concern and are placed under the guarantee of the League and further that any Member of the Council of the League is entitled to draw the attention of the Council to any infraction or danger of infraction of any of these obligations. Finally, these States recognise that any difference of opinion as to questions of law or fact arising out of these articles, between the Government concerned and any one of the Powers, Members of the Council of the League of Nations shall be held to be a dispute of an international character and shall be referred if the other party so demands to the Permanent Court of International Justice.

The procedure by which these principles are to be applied was worked out in detail by the Council of the League which laid down in successive resolutions (October 22nd-25th 1920 and June 27th 1921) the system of petitions, the conditions under which petitions would be accepted and the procedure for the examination of such petitions.

According to this procedure the minorities themselves and even States not represented on the Council of the League are entitled to draw the attention of the League of Nations to any infraction or danger of infraction of the treaty provisions.

(1) See above p.

But this act must retain the nature of a petition or report pure and simple and it cannot have the legal effect of putting the matter before the Council. When a petition is received the Secretariat first of all satisfies itself, in conformity with the Council's resolution, that it has in view the protection of minorities in accordance with the treaties, that it is not submitted in the form of a request for the evincence of political relations between the minority in question and the State of which it forms part, that it does not emanate from an anonymous or unauthenticated source, and finally, that it abstains from violent language. If the petition is considered acceptable it is communicated to the Government concerned which is given a time limit of two months within which to submit any observations. The petition is then communicated together with the observations of the Government concerned, to the Members of the Council. A Committee of the Council consisting of three members, including the acting President, undertakes an immediate examination of the petition. Hitherto petitions have also been communicated to the Member of the League on the principle that any document communicated to Members of the Council for their consideration should be immediately communicated to all Members of the League.

The points in which the Council modified, or rendered clearer, this procedure were concerned with the conditions under which petitions could be accepted, the time limit allowed to the Government concerned for the submission of their observations, and finally, to the action of the Committee of three.

In the future, any petition, in order to be acceptable, must contain information or point out facts which have not, at a recent date, been the subject of a petition dealt with by the normal procedure. The State concerned may raise objections to the relevancy of a petition in such case the question is referred to the President of the Council who considers it with the aid of two other members of the Council.

The Government concerned may ask for an extension of the time limit of two months which is laid down for the submission of observations on a petition.

The proceedings of the Committee of three in no way prejudice the right, which is vested in all members of the Council, of drawing the attention of the Council to an infraction or danger of infraction, its only object is to ascertain whether there are reasons which would justify one or more members of the Council in drawing the attention of that body to an infraction or danger of infraction of any of the clauses for the protection of minorities.

The petitions, together with the observations of the government concerned, will be communicated to the Member of the Council only, unless that body should decide otherwise, or unless the State concerned request that they shall be communicated to the other Members of the League. The Assembly has however decided that any Government Member of the League may submit an application to the Secretariat to the effect that any petitions (together with the observations of the government concerned) which have been communicated to the Council, may also be communicated to the said Government. This Resolution of the Fourth Assembly was based upon a Resolution adopted by the preceding Assembly to the effect that information collected by the Secretariat concerning the manner in which the Minorities Treaties are carried out, and concerning the manner in which the persons belonging to these minorities fulfil their duties towards their States, might be placed at the disposal of the States members of the League if they so desire.

7 — THE EXCHANGE OF GREEK AND TURKISH POPULATIONS

The Council on September 17th appointed three members of the Mixed Commission provided for in the Convention on the exchange of Greek and Turkish populations signed at Lausanne on January 30th.

The Mixed Commission in question is set up to supervise and facilitate the

compulsory exchange of Turkish nationals of the Greek Orthodox persuasion resident in Turkish territory and Greek nationals of the Moslem faith established in Greek territory. The Commission is composed of four members appointed by Turkey, four members appointed by Greece and three members selected by the Council of the League from nationals of Powers which remained neutral during the war of 1914-1919.

The League of Nations, while naming the neutral commissioners, has not assumed responsibility for the execution of this exchange of populations. The Council of the League, at the request of the Greek and Turkish Governments, appointed with the collaboration of representatives of the interested Parties, M. Erik E. Ekstrand, Chief of the Administrative Department of the Swedish Ministry of Foreign Affairs, who was Chief of the Swedish Red Cross Relief Expedition to Samara in Russia in 1921/22, General Manrique de Lara, Brigadier General in the Spanish Royal Marines, and M. Karl M. Widding, former member of the Danish foreign service.

The Greek and the Turkish Members of the Commission are as follows. *Greek Members*: M. Ioan Pappas, Minister Plenipotentiary; M. Alexandre Pallis, former delegate of the Greek Government at Constantinople for refugee relief; M. Antoine Calvocoressi, former director of the Banque Méditerranéenne at Constantinople; M. P. Canaginis, Director of Immigration at the Ministry of Agriculture. *Turkish Members*: Dr. Tewfik Ruchdi Bey, former Minister of Health, Chairman Hamdi Bey of the Ministry of Health, Deputy for Erzurum; Ihsan Bey, Inspector of Finances; Seneddin Bey of the Ministry of Evkaf (Charitable Foundations).

General de Lara was chosen as the first President of the Commission, which was organised in the Near East during the first week of October.

VIII — Political Questions

I — THE ITALO-GREEK DISPUTE

The dispute between Italy and Greece occurred just as the Council was meeting for its twenty-sixth Session and the Assembly for its fourth session.

This dispute arose out of the murder, on August 27th, on Greek soil, of General Tellini, Major Corti, Lieutenant Bonaccini and the chauffeur Farnetti, all Italians, and their interpreter, an Albanian. The murderers were members of the International Commission for Delimitation of the Albanian frontier, who were acting on behalf of the Conference of Ambassadors to delimit the frontier between Greece and Albania. They were proceeding by automobile to carry out this task, when their passage was blocked by a large tree thrown across the road, and they themselves were shot, either in their car or attempting to escape into the adjoining woods.

Two days later the Italian Government presented a Note to the Greek Government demanding full apologies and reparation. On the following day, the 30th, Greece replied, accepting some of these demands and refusing others. On August 31st the Italian naval authorities occupied the Island of Corfu, stating at the same time that the occupation was purely temporary and a guarantee for the execution by Greece of the reparations demanded. On that same day the Conference of Ambassadors, whose representatives the murdered men had been, also sent a Note to Greece requesting an immediate enquiry and reserving the right of considering penalties.

On the following morning, September 1st, the question of the Italian demands was first brought before the League of Nations by a Note dated August 31st from the Greek Government, requesting its consideration by the Council under

Articles XII and XV of the Covenant. This request was considered at a session that same afternoon, when Greece as an interested State, sat as a Member of the Council in accordance with the Covenant provisions. At that meeting, after some discussion, and on the request of the Italian representative for postponement in order that he might have time to receive instructions, the Council passed a Resolution which, in assenting to a short adjournment for the further consideration of the question, expressed the confident hope that in the meantime the two States concerned would commit no act which might aggravate the situation.

The Council met again on September 4th and agreed that its next meetings on this question should be held in public. M. Politis, the Greek representative, took the occasion to make certain definite suggestions in addition to those previously made by Greece concerning the judicial enquiry already undertaken by the Greek authorities, and declared that the Greek Government would deposit 50 million Italian lire in a Swiss bank as guarantee of the immediate payment of whatever indemnity might be decided upon.

On the following day, September 5th, M. Salandra, Italian representative, stating that he had received instructions from his Government, made a declaration asking that the Council should not proceed to take action in this matter, invoking several reasons based on the fact that the Conference of Ambassadors, a directly interested party, had already begun consideration of the matter, and on an interpretation of certain clauses of the Covenant. M. Politis replied to this statement wholly disagreeing with the points raised regarding the interpretation of the Covenant but declaring that the Greek Government had recognised by its Note of September 2nd that it owed reparations and explanations to the Conference of Ambassadors, the verdict of which Greece had agreed to accept. Lord Robert Cecil then asked to have read Articles XII and XV of the Treaty of Versailles and stated that if the terms of these treaties should be disregarded, the whole settlement of new Europe would be shaken.

On September 6th, the Council met again, when it had before it a telegram from the Conference of Ambassadors stating that it had considered the Greek reply to its communication, had noted Greece's willingness in her responsibility were proved, to make any reparation which the Conference might regard as just, and that it had at once concluded that the enquiry should be conducted. M. Quinones de Leon, the Spanish representative, then submitted to the Council a draft reply to the Conference of Ambassadors containing even suggested points agreed upon by certain Members of the Council as forming a just basis of settlement of the dispute between Greece and Italy. As the Italian representative could not agree to the Council's thus entering into the substance of the question, and as the French representative asked for delay in order that he might have instructions from his Government, it was finally decided briefly to acknowledge the Note from the Conference of Ambassadors and to send to the Conference that night the minutes of this session of the Council.

The interpretation given by M. Salandra to certain articles of the Covenant was further discussed at this meeting and several important declarations made with regard to it. Lord Robert Cecil (Great Britain), M. Hyman (Belgium), Mr. Branting (Sweden), and M. Guzmán (Uruguay), declared that they held a contrary opinion to that advanced by the Italian representative. It was generally agreed that, while this aspect of the matter was of the greatest importance to the future of the League, it would be wise to postpone its further discussion until the actual dispute had been further advanced towards settlement.

The Council met again on September 10th to consider a telegram from the Conference of Ambassadors, dated September 7th, acknowledging the receipt of the verbatim record of the Council's session on September 6th, stating that it had examined, with the greatest care, the opinions advanced by various Members of the Council at that meeting, and thanking the Council for having supplied it with valuable material, which had greatly assisted it in forming a judgment. Append

ed to this telegram was a Note to the Greek Government, observing that Greece had agreed if her responsibilities were proved, to make any reparation the Conference might regard as just, and setting forth seven conditions which the Conference of Ambassadors had agreed that Greece should fulfil in reparation for the murder. The Council, in acknowledging receipt of this communication, asked to be kept informed of any further discussions on the subject. At this same meeting also M. Politis, Greek representative, read a Note from his Government to the effect that the 50 million Italian lire had actually been deposited in a Swiss bank.

In conformity with a decision taken at this meeting of the Council, Viscount Ithuriel as President of the Council, made a statement to the Assembly session of September 12th to the effect that the dispute between Italy and Greece was still under examination by the Council and that important negotiations were also in progress which it was hoped would lead to a satisfactory conclusion. He expressed the conviction that in view of these facts the delegates to the Assembly would desire to refrain for the moment from any discussion of this important matter. Jonkhoeer Loudon (Netherlands) in reply stated that he thought he would be voicing the opinion of most of his colleagues in stating that the Assembly had confidence that the Council would make another communication to the Assembly before the close of the session.

On September 17th the Council met again to consider a further communication from the Conference of Ambassadors announcing the settlement of the dispute between Italy and Greece and enclosing a new and more detailed Note from the Conference of Ambassadors to Greece. The Council welcomed the fact that this communication put an end to a situation which had aroused intense anxiety. Mr. Branting while declaring his satisfaction at the solution and at the services performed by the Council of the League, expressed his anxiety as to the questions raised concerning the interpretation of the Covenant and especially as to the precedent created by the occupation of Corfu which he felt was contrary to the Covenant. Lord Robert Cecil then made a detailed analysis of the juridical questions involved both as regards the general relationship of the Council to the dispute and as regards the interpretation of the Covenant. In conclusion M. Politis, Greek representative, in declaring the Italo-Greek dispute at an end, expressed his gratitude to the Council for the manner in which it had acquitted itself of a very difficult task, to the Italian Government for the spirit of conciliation which it had shown and to M. Salandra personally. M. Salandra in his turn while reserving till the following day his reply to the legal points involved, thanked M. Politis for the aid which he had given to the Council in bringing the dispute to a satisfactory conclusion, and noted with pleasure that the dispute was now definitely settled.

On the day following, namely, the 18th, M. Salandra in reply to the statements made by Mr. Branting and Lord Robert Cecil made a declaration on the legal points involved, emphasising that pacific reprisals and occupation of territory as security were measures which had often been sanctioned in international practice and stressing the point that Italy's attitude was based particularly on Article XIII of the Covenant which made recourse to the League obligatory only if diplomatic negotiations failed which had not happened in this case.

The immediate question of the Italo-Greek difficulty having thus been declared as closed, the Council proceeded to a consideration of the interpretation of certain articles of the Covenant and other questions of international law which had arisen during the discussions.

During the following sessions of the Council the various legal points involved were discussed both by the Council and by a special Committee of Jurists who were invited to help the Council. Unanimous agreement was finally reached by all Members of the Council both as to the actual questions to be settled and as to the procedure to be adopted.

Accordingly, on September 28th the day before the Assembly was to rise, Vis

count Ishii as President of the Council, made the following statement to the Assembly

At its meeting of the 22nd September, 1923, the Council asked a Committee of Jurists to formulate questions with regard to certain points concerning the interpretation of the Covenant and other matters of international law, which the Council had had under consideration.

The Committee submitted to the Council on the 26th September, the following questions

Question 1 — Is the Council, when seized at the instance of a Member of the League of Nations of a dispute submitted in accordance with the terms of Article XV of the Covenant, by such a Member as likely to lead to a rupture bound either at the request of the other party or on its own authority and before inquiring into any point, to decide whether in fact such description is well founded?

Question 2 — Is the Council, when seized of a dispute in accordance with Article XV paragraph 1, of the Covenant at the instance of a Member of the League of Nations bound, either at the request of a party or on its own authority, to suspend its enquiry into the dispute, when, with the consent of the parties, the settlement of the dispute is being sought through some other channel?

Question 3 — Is an objection founded on Article XV, paragraph 8, of the Covenant the only objection based on the merits of the dispute on which the competence of the Council to make an enquiry can be challenged?

Question 4 — Are measures of coercion which are not meant to constitute an act of war consistent with the terms of Articles VII and XV of the Covenant when they are taken by one Member of the League of Nations against another Member of the League without prior recourse to the procedure laid down in those articles?

Question 5 — In what circumstances and to what extent is the responsibility of a State involved in the commission of a political crime in its territory?

The Members of the Council being in agreement that any dispute between Members of the League likely to lead to a rupture is within the sphere of action of the League, and that if such dispute cannot be settled by diplomacy, arbitration or judicial settlement it is the duty of the Council to deal with it in accordance with the terms of Article XV of the Covenant, the Council decides that these questions shall be referred to a Special Commission of Jurists for an opinion as to the answers to be given.

The Council resolves that the Report of the Special Commission of Jurists shall be submitted to it in time for consideration at its meeting in December. Each Member of the Council may nominate within a period of 15 days a Jurist to be a Member of the Commission. The Member thus nominated together with the Director of the Legal Section of the Secretariat, will constitute the Special Commission of Jurists.

After this statement had been read, declarations were made by Mr Branting (Sweden) and Lord Robert Cecil (British Empire) who, as Members of the Council, explained the reasons which had lead them to concur in the procedure proposed instead of that of immediate reference to the Court. Various members of the Assembly then made known their views on the statement of the President of the Council, namely, Dr Nansen (Norway), Protesor Gilbert Murray (South Africa), Prince Arfa el Dowleh (Persia), Mr Enckell (Finland), Mr Monnell (Irish Free State), M. Zahle (Denmark), Dr Urrutia (Colombia), M. Loudon (Netherlands) and the Maharajah of Nawanagar (India).

2. — THE QUESTION OF THE DELIMITATION OF THE FRONTIER BETWEEN CZECHOSLOVAKIA AND POLAND IN THE DISTRICT OF JAWORINA

The question of the delimitation of the Polish Czechoslovak frontier near Jaworina was referred to the Council by the Conference of Ambassadors by letter of August 16th asking the Council to recommend a solution and stating that the Governments represented on the Conference would have no objection should

the Council desire to ask the opinion of the Permanent Court of International Justice with regard to the legal points raised in connection with the Polish Czechoslovak difference on the subject.

The Polish and Czechoslovak Governments in letters dated respectively September 3rd and 2th, communicated to the Council their observations regarding the decision of the Conference.

After hearing in a public meeting on September 20th statements by both Parties, the Council requested M. Quinones de Leon (Spain) to prepare a report on the subject which was duly presented on September 28th. The Council thereupon decided, in agreement with the Parties, to solicit the advisory opinion of the Permanent Court on the following question:

Is the question of the delimitation of the frontier between Poland and Czechoslovakia still open, and, if so, to what extent or should it be considered as already settled by a definite decision (subject to the customary procedure of marking boundaries locally with any modification of detail which the procedure may entail)?

The communication to be addressed to the Permanent Court reciting the circumstances under which this question was referred to the Council and containing statements of the respective cases of the Polish and Czechoslovak Governments was then drawn up by the Council in agreement with the representatives of the Parties.

3 — REQUEST TO THE ASSEMBLY FROM THE LITHUANIAN GOVERNMENT

The Lithuanian Government, in its request to the Assembly, raised the question whether the decision of the Council of January 13th, 1922 (in which the Council declared that it could not for its part recognise any solution of the Polish Lithuanian dispute reached without the consent of the Parties) was compatible with the decision of the Conference of Ambassadors of March 15th laying down the frontier between Poland and Lithuania against which the Lithuanian Government had protested. The Lithuanian Government further requested the Assembly to apply to the Permanent Court of International Justice for an opinion on the legality of the Council's recommendation of February 3rd, 1923.

As the Council had at a previous session made declaration and adopted a resolution on the very question raised by the Lithuanian Government, the Assembly in the first place consulted its competent committee as to whether it were legally possible to reopen the debate before the Assembly. The answer of the Committee did not exclude this possibility and a special sub-committee was therefore appointed to study the matter.

After an exchange of views between the members of the sub-committee and the Lithuanian representative, the latter addressed to the Chairman of the Sixth Committee a letter dated September 25th in which he asked him to propose to the Sixth Committee and the Assembly to refer further discussion of the question at issue to the Fifth Assembly.

The Assembly agreed to comply with this request.

4 — EASTERN CARELIA

The Assembly noted the declaration of the Finnish delegation that the Finnish Government maintained its right to consider the clauses of the Treaty of Dorpat and the supplementary declarations relating to the Statute of Eastern Carelia as agreements of an international order.

The Assembly requested the Council to continue to collect all useful information relating to this question with a view to seeking any satisfactory solution rendered possible by subsequent events.

IX -- Social and Humanitarian Questions

1 — REFUGEES

During the past year, the High Commission for Refugees had to deal with three different categories of refugees: Russians, the Bulgarian inhabitants of Western Thrace and the refugees of the Near East.

At the Fourth Assembly, Dr. Hansen explained the general methods of work of his organisation, which co-operates with Governments and Relief organisations for the purpose of solving as far as possible the various political, economic, social and moral problems which have arisen in connection with the refugee question.

a) *Russian Refugees*

The problem of Russian refugees presents two distinct phases, one of a transitory nature and consisting of hospitality in the various countries, and the other a permanent solution.

Substantial progress has been made in the transitory phase. Thirty-two Governments have recognised the model identity certificate for Russian refugees recommended by the High Commissioner. The problem of refugees in Constantinople has been practically solved by means of the evacuation to other countries of more than 20,000 refugees, most of whom are engaged in productive work. With money, obtained from different sources, and with the co-operation of the Governments and relief organisations, the High Commissioner has been able to assist the great majority of the refugees who have settled in Central Europe and the Balkans.

A considerable movement for a return to their country having manifested itself among certain categories of the refugees, negotiations have opened with the Soviet Government in order to secure satisfactory arrangements for their repatriation. Some 6000 refugees have been sent home from Bulgaria and Greece under the arrangements concluded. The High Commissioner has repatriated only the refugees who wished to return to their country, nothing has been done which might be interpreted as an encouragement to repatriation.

b) *Bulgarian Inhabitants of Western Thrace*

The High Commissioner, in close co-operation with the Greek authorities, has succeeded in securing the issue by the Greek Government of rations and allowances to the Bulgarians who have been expelled from Western Thrace. The Greek Government, at the suggestion of the High Commissioner, has begun to repatriate these deportees, 2000 of whom have already been sent home. The repatriation of some four thousand who had been concentrated in Thessaly and in the island of Cerigo is now proceeding. The High Commissioner has received assurance that the repatriates will be well organised by degree in proportion to the evacuation from Bulgarian villages of the Greek refugees who had been accommodated there temporarily by the Greek Government.

c) *Near East Refugees*

The High Commissioner was able to bring substantial relief to the refugees from the Near East in the form of food, clothing and medical remedies. He also organised the transport and evacuation of the refugees from Asia Minor to Greek ports, and endeavoured to reach a solution, which, by co-ordinating the efforts of the Greek Government and the relief associations, would promote the ultimate settlement of the problem of refugees. A model colony of 10,000 refugees has been founded in Western Thrace. The results are very satisfactory and form the basis of the scheme of settlement which is described below.

The fact that the High Commissioner has been able to achieve these results is largely due to the generous support of various relief organizations, such as the American and British Red Cross Societies and other well known charitable associations.

d) Scheme for the Settlement of Greek Refugees

In its meeting of September 20th, the Council of the League of Nations approved a scheme for the settlement of the Greek refugees.

During the past year the Greek refugees, who number about a million have been maintained principally by the generous aid of American and English relief organizations. The moment has arrived for their final settlement in productive employment.

The Greek Government contemplates the raising of a loan of £3,000,000 — 6,000,000 for this purpose, to be used under the control of an independent Refugee Settlement Commission. An offer has been received through the Bank of England for a provisional advance of £1,000,000 on certain conditions when the Refugee Settlement Commission is established.

The scheme is embodied in two documents which have both been signed by the Greek Government and approved by the Council:

- a) A Protocol containing the general conditions of the loan and the establishment of the Refugee Settlement Commission, and,
- b) The Statutes of this Commission.

The main contents of these documents are as follows:

The Greek Government will transfer to the Settlement Commission the full property in an amount of land of not less than 500,000 hectares suitable for settlement. The Government will also hand over to the Settlement Commission the proceeds of the loan and of any provincial advances.

The service for the interest and the amortisation of the loan will be guaranteed in the first instance by certain Greek revenues, to be agreed between the prospective lenders and the Greek Government.

The proceeds of the revenue which will be assigned will be handed to the International Financial Commission at Athens for the purpose of meeting the service of the loan. In this connection it will be remembered that the International Financial Commission has for many years controlled the receipts of the monopolies and of several custom offices in the former territory of Greece, for the service of the external Greek debt.

The service of the loan will be guaranteed also by a first charge upon the property and the income of the Refugee Settlement Commission. As to the lands to be transferred to that Commission and upon the sums paid by the refugees as rent or in reimbursement of advances. The reimbursement of these advances will have priority over taxation and all other claims. Another source of income for the Commission will be the taxes paid by the refugees. All the taxes will be handed over by the Government to the Settlement Commission. If the Settlement Commission sells any land the proceeds of such sales will be paid into a special sinking fund.

The Greek Government undertake a special obligation under the Protocol to make every effort to secure as soon as possible an equilibrium of the State budget. In order to prevent depreciation of the Greek currency and a consequent depreciation of the value of the revenues to be assigned to the loan, the Government also undertakes not to create charges upon its other revenues except for the purpose of meeting its external obligations or of improving the financial position of Greece.

The Statutes fix the composition and the working of the Refugee Settlement Commission.

The Commission will be composed of four members:

- a) The Chairman is to be of American nationality and to have representative experience of relief organisation. The Council has appointed on the nomination of the Near East Relief Mr. Henry Morgenthau, member of the executive of the American Red Cross and of the Near East Relief Society, former Ambassador of the United States at Constantinople.

b) The Council has appointed a second member, Colonel Campbell of the Indian Civil Service, former Director of Civil Supplies of the United Provinces.

c) Two members are appointed by the Greek Government with the approval of the Council. The members thus appointed are M. Léonidas Delta, Adviser to the National Bank of Greece and M. Panos Argyropoulos, former Greek Minister at Christiania.

In the event of the absence of the Chairman, the Chair will be taken by the member appointed by the Council.

The Commission will decide by a majority vote. In the event of the votes being equally divided, the Chairman will have a second vote.

The Commission will report every three months to the Council. These reports will be published.

The object of the Commission will be—by means of the lands assigned to it, the land from the loan and its own means—to promote the settlement of refugees in productive work in Greece, either upon the land or other work for a future settlement.

The Statutes lay down expressly that the income and lands of the Commission may not be expended for the relief of the other financial purposes as distinct from the settlement in productive work of the persons assisted. All assistance given shall be given in the form of a living wage replacement.

It is therefore clear that much acute distress must inevitably be again among over a hundred thousands of refugees, which cannot be dealt with at once by the means at the disposal of the Refugee Settlement Commission. Many months will have to pass before those refugees who can be settled on the land, can raise their first crops. Moreover, it will take time before others are established as manual workers and can earn their own living. In the meantime they are faced with the most severe distress. The Greek Government owing to its difficult financial position is unable to cope with this situation. The help of charitable Societies therefore is a most essential complement to the efforts of the Government.

The Council of the League of Nations has emphatically adopted its Resolution of September 29th and has expressed the hope

That the charitable societies which have hitherto supported these efforts as generously as in the past, should, ever more generously, in the knowledge that such a project will not only be a help to the refugees, but an important contribution and an essential factor towards a definite and rapid solution of the Greek Refugee problem.

e) Scheme for the Settlement of Fifty Thousand Armenians in the Caucasus

The question of Armenian refugees was dealt with by the Council at its meetings of September 24th and 28th, when it considered a scheme for the settlement of fifty thousand Armenians in the Caucasus, presented by the President of the Armenian National Delegation.

This scheme combines a solution of the refugee problem with a project for the cultivation of a large tract of waste land in the Soviet-ruled steppe area. In an earlier session the Council decided to appeal to all Members of the League to contribute by all charitable means in their power to the relief work in favour of these refugees. If the fund obtained as a result of the appeal and those received from relief organizations or other sources by the initiator of the scheme prove sufficient, the Council would be disposed to lend the assistance of the League technical organizations for the practical execution of the scheme.

The Council further decided, on the proposal of H. HUNTJAN, to request Dr Nansen to examine the possibility of obtaining certificates of identity for Armenian refugees on the same lines as those delivered to Russians.

2. — THE TRAFFIC IN OPIUM

The recommendations of the January and May sessions of the Advisory Committee on Opium and other Drugs, including the two American proposals and plans

for two technical conferences were unanimously approved by the Fourth Assembly. During these discussions the United States Government which was present in connection with the Assembly for the first time was represented by the same delegation as at the last Opium Committee session, namely Representative Stephen G. Porter, Bisopp Charles H. Brent and Assistant Surgeon General Blue.

The most specific action taken by the Assembly was the approval of a plan for the international conferences on the drugs question. The first is to be for the gradual suppression of opium smoking and will be attended by representatives of States holding territory in the Far East. The second will deal with the limitation of the production and manufacture of morphine, heroin and cocaine to medical and scientific needs, and, in order to secure as wide support as possible for the measures that may be agreed upon, the Assembly has asked the Council to consider whether all Members of the League and Parties to the Convention of 1912 should not be invited to send representatives.

Immediately after the Assembly the Council considered the dates of these conferences. While reserving the final decision until its December session, the Council decided that in order that the Governments might make their preliminary arrangements it should provisionally fix the date of the first conference for mid July 1924, the second to follow immediately after.

In addition to these questions, the Assembly specially noted the serious hindrance to the control of the opium traffic resulting from the non-ratification of the Opium Convention by Persia and Switzerland. The reasons for delay given by these two countries, one an important producer of opium, the other a great manufacturer of drugs, are chiefly of an economic nature, and it is hoped that they may soon be removed. Another gap in the control will be filled when Turkey ratifies the Treaty of Lausanne which contains the Opium Convention. The Assembly proposed that as soon as this happens, Turkey should be invited to send a representative to serve on the Advisory Committee and thus further strengthen its work.

3 — SUPPRESSION OF THE TRADE IN OBSCENE PUBLICATIONS

At the invitation of the French Government, representatives of thirty-five States assembled at the seat of the League in Geneva on August 31st, for the purpose of drawing up and signing an International Convention for the Suppression of the Trade in Obscene Publications.

The Conference held its meetings throughout in public. Its task was to decide to what extent the Draft Convention which had been drawn up in Paris in 1910 but never signed, was suitable for signature and to make whatever alterations and additions were necessary to render it both a flexible and an efficient instrument of control. Under the chairmanship of M. Dischamps, the plenary Conference and its Drafting and Amendments Committees met frequently during the first two weeks of September, and the articles of the Convention with the various amendments proposed were thoroughly discussed. Agreement was reached and the new text unanimously accepted on September 11th, and the Convention was open for signature on September 12th.

It was signed the same afternoon by the representatives of

Albania	Greece	Poland
Austria	Hungary	Kingdom of the Serbs,
Belgium	India	Croats and Slovenes
British Empire	Italy	Siam
China	Latvia	Spain
Columbia	Lithuania	Switzerland
Czechoslovakia	Netherlands	Uruguay
France	Persia	

and, in the course of the next few days by the representatives of

Bulgaria	Denmark	Luxembourg
Costa Rica	Haiti	New Zealand
Cuba	Honduras	

The keynote of the Convention is Article I, by which the contracting parties undertake to prosecute persons who produce, or have in their possession for purposes of trade or public exhibition, obscene writings, drawings, prints, paintings, printed matter, pictures, posters, emblems, photographs, cinematograph films or any other obscene objects, who import or export these obscene objects, who circulate or distribute them either publicly or privately, or who send out advertisements leading up to the trade. With regard to the word "obscene", the Conference decided, after some discussion, that it was inadvisable to include a definition in the Convention and that each State should rather be left to give to the word the legal signification it considered right.

In Article II the contracting parties agree to punish offences falling under Article I even if they have been committed in another country. The Conference found it necessary, however, to add a qualifying clause, "when the laws of the country permit it", in order not to deter from signing the Convention those countries whose legislation does not allow punishment for offences committed abroad.

Further articles in the Convention regulate the use of rogatory commissions (in countries where written evidence is allowed), and provide for the searching of premises where it is believed obscene objects are deposited and the exchange of information in cases where it should be found that the objects seized were manufactured abroad.

The final clauses of the Convention deal with the procedure to be followed. The Convention is open for signature until March 31st, 1924 after which date States may still adhere. One original of the Convention, which is drawn up in both French and English, is to be deposited with the French Government, in recognition of the leading part this Government has played in the campaign, the other is to be deposited with the Secretariat of the League of Nations, which is also entrusted with the receipt of all instruments of ratification, denunciations or requests for revision. The Council of the League is asked to consider the advisability of calling a further conference at the end of each period of five years or upon a request by five of the parties for a revision of the Convention. Disputes regarding interpretation or application of the Convention are to be referred to the Permanent Court of International Justice.

In the course of the discussion certain questions arose, which were regarded by the representatives as important, although they did not ultimately figure in the final text of the Convention. The majority of the delegations did not consider that it would be advisable to embody in the Convention the provisions proposed by the French Government concerning incitement to abortion and anti conception propaganda. It was pointed out by some that, in cases where such propaganda might be regarded as obscene, Article I was adequate. Others expressed the hope that it might soon become practicable to consider an international agreement for the prevention of the propaganda but thought that the subject was of such delicacy that it required more preparation and examination than was possible on this occasion.

With regard to special legislation for the protection of minors, the Conference generally was of the opinion that the offence of offering or distributing obscene articles must be held to be aggravated when committed in respect of minors, but that it did not appear to be necessary for the Convention to contain a special provision to this effect.

In order that information may at all times be available on the progress of the work of suppression, the Conference has recommended that the Secretariat of the

League of Nations should not only keep a record of, and publish the names of the States that ratify or adhere to the Convention but that it should also issue a periodical questionnaire and circulate the information collected. This information will include the number of cases of trade in obscene publications in which proceedings have been taken particulars of the offences and the results of the proceedings, particulars of offences reported to other countries, and general comments with regard to the extent and nature of the trade.

4 — THE TRAFFIC IN WOMEN AND CHILDREN

In the adoption of the Report of the Advisory Committee on Traffic in Women and Children, great importance was attached by the Fourth Assembly to the recommendation that a small body of experts be appointed to enquire into the conditions under which the traffic in women is carried on (1). The extraordinary expenses necessitated by the enquiry will it is understood be defrayed by funds received from private sources in the United States (2). As it is evident that the success of such an enquiry must depend on the goodwill and collaboration of the countries in which it is carried on, the Assembly expressed the hope that the Governments concerned would give experts full facilities for any investigations considered necessary.

On the recommendation of its Fifth Committee the Assembly passed a resolution that the Advisory Committee on Traffic in Women should consider the advisability of asking those Governments which sanctioned licensed houses to take precautions to prevent women inmates being detained there against their will. In its report to the Assembly the Fifth Committee had urged the importance of preventing the exploitation of women who have entered upon a life of prostitution at the hands of the abandoned persons who prey upon them. In this connection the Assembly also endorsed the recommendation of the Advisory Committee that women should be employed among the police dealing with prostitution.

5 — PROTECTION OF WOMEN AND CHILDREN IN THE NEAR EAST

On the subject of the protection of deported women and children in the Near East (3) reports were prepared for the Assembly by two members of the League Commission of Enquiry Dr Kennedy the head of the Constantinople branch and Miss Jeppe who is stationed at Aleppo.

These reports show that much good work has been done since last year. In both centres there is a Receiving Home where women and children who have been separated during the war from their families are received for a short time until they can return to their relatives be placed in charitable institutions or be assisted to emigrate. During the first six months of this year seventy eight children have lived in the Home at Constantinople and over 300 have been helped in various ways, irrespective of race or religion. Only a few women have actually lived in the Home but about 400 have been helped to join their relatives or emigrate to the United States.

Miss Jeppe, in reporting on the work at Aleppo described the terrible plight of women and children the members of many families being separated and without news of each other. The relief work had led many of these unfortunate people back to their homes. About three hundred women and children had been in residence in the Receiving Home at Aleppo since last year while in the district around Aleppo

(1) *See Memorandum* Vol. III No. 1 p. 61.

(2) *See Memorandum* Vol. III No. 1 p. 120.

(3) *See Memorandum* Vol. III No. 1 p. 27.

some thirty thousand Armenian women and children were thought to be scattered among people of a different race and religion from their own.

The Assembly approved the reports and voted a sum of 75,000 gold francs for the continuance of the work.

6 — THE QUESTION OF SLAVERY

The Assembly noted the information which the Council, in accordance with a resolution of the Third Assembly, had obtained up to the present on the question of Slavery. It agreed with the Council that the information available could not form the basis of a sufficiently complete report and decided that the investigation should be continued with a view to presenting to the Fifth Assembly a report shewing the progress made in different countries with regard to the suppression of slavery in all its forms.

Different views were expressed as to the methods to be adopted in collecting and utilising the information received as a result of the investigation. It was unanimously agreed that this difficult task should be entrusted to an expert body, but, in view of the present financial situation, it was desired to avoid extra expenditure. While certain members were of opinion that the question should be referred to the Permanent Mandates Commission, others suggested that the Council might avail itself of the services of the International Bureau at Brussels which at present deals with the question of liquor traffic. A third proposal contemplated the appointment of a special advisory Committee.

The Assembly decided to leave to the discretion of the Council the question of ways and means for continuing the investigation.

7 — INTERNATIONAL ORGANISATION DESTINED TO TAKE PART IN THE RELIEF OF PEOPLES STRICKEN BY CALAMITIES

The Assembly decided to communicate to the various Governments a proposal of Senator Ciralo, President of the Italian Red Cross, together with the Secretary General's report and any remarks which might be made by the Red Cross organisations, regarding the creation of an international organisation for the relief of populations stricken by calamities. The Governments will be asked to communicate their observations to the Secretary General who will keep the Council informed in order that it may ultimately submit the conclusions to the Assembly.

The fundamental idea of Senator Ciralo's proposal is that of intergovernmental co-operation on insurance principles. The Governments accepting the proposed connection would undertake to contribute to a fund to be utilised internationally through the various Red Cross societies to afford organised and adequate relief immediately upon the occurrence of any large scale disaster within the territory of one of the participating State. The organisation, according to Senator Ciralo's scheme, would be placed under the supervision of the Council of the League acting mainly in an advisory capacity.

8 — INTERNATIONAL ARRANGEMENTS FOR LEGAL JUSTICE TO THE POOR

The Assembly decided to place on the agenda of its fifth session a proposal presented by the Norwegian delegation regarding international arrangements for civil justice for the poor, and requested the Secretary General, in the meantime, to prepare a report, and to make such enquiries under the authority of the Council, as might be found desirable.

Offices for legal assistance to the poor exist already in a certain number of countries (England, Germany, France, Denmark, Italy, United States, Sweden and Norway), and are supported by public or private funds. The establishment of relations between the different offices would have in view the possibility of enabling people without means in foreign countries to obtain legal assistance.

X — The Resolutions of the Assembly

(The errors in it being defined the text may be subject to slight modifications)

I — Reduction of Armaments

I. The Assembly

Having taken into account the draft Treaty of Mutual Assistance⁽¹⁾ drawn up by the Temporary Mixed Commission and amended by the Third Committee as a result of an exchange of views between its members some of whom spoke in their personal capacity.

Considering that this discussion has revealed some divergences of view and further that a large number of Governments have not yet expressed their opinions on Resolution XIV of the third Assembly.

Decides to request the Council to submit the draft Treaty of Mutual Assistance to the Governments for their consideration asking them to communicate their views in regard to the aforesaid draft Treaty.

II. The Assembly

Notes with great satisfaction that in the course of the last three years the States Members of the League have with very few exceptions been able to reduce their expenditure on armaments.

Desires that this fortunate development should become more marked and more general.

Recalls the Resolutions of the preceding Assemblies concerning the limitation of expenditure on armaments.

And requests the Council to recommend to the Members of the League not to exceed during the period necessary for the elaboration and the adoption of the general scheme for the reduction of armaments the total expenditure on military, naval and air armaments provided for in the budget of the present fiscal year.

Subject to the reservation, however, that allowance shall be made

(a) For all contributions of effects, material or money recommended by the Council for the execution of the obligations provided for in Article XIV of the Covenant.

(b) For all exceptional situations brought to the notice of the Council and recognised by it as such.

III. The Assembly expresses its approval of the decision which the Council has taken in connection with the publication of a Year Book of Statistical Information concerning National Armaments and records that in preparing this volume the Secretariat should take into account the recommendations put forward in the report of the Temporary Mixed Commission.

IV (a) The Assembly recommends that the Temporary Mixed Commission should be invited to prepare a new Convention or Conventions to replace that of St. Germain for the control of the traffic in arms.

The Temporary Mixed Commission should be requested to draw up the draft convention or conventions in such a form that they might be accepted by the Governments of all countries which produce arms or munitions of war.

The Temporary Mixed Commission should, however also make alternative proposals for a convention or conventions which might be adopted by some of the producing Powers even if others refused their co-operation.

The Assembly recommends that the Council should invite the United States Government to appoint representatives to co-operate with the Temporary Mixed Commission in preparing the draft convention or conventions.

IV (b) The Assembly recommends that the Council should invite the Temporary Mixed Commission to refer its scheme for the control of private manufacture of arms and munitions to the Economic Committee of the League for its observations and that it should also endeavour in co-operation with the Economic Committee to draw up draft conventions for this purpose.

The Assembly recommends that when the Council has received the report of the Temporary Mixed Commission concerning the traffic and private manufacture of arms it should consider the question of convening an International Conference to draw up a convention on this subject.

V. The Assembly awaits with interest the report of the Special Committee on the probable effect of chemical devices in future wars and it also requests the Council and the Temporary Mixed Commission to ensure that all publications be fully published, to the report of the Committee.

(1) For text of Treaty see pp. 236 of this issue.

VI The Assembly in view of Resolution XV of the third Assembly concerning the problem of the reduction of armaments asks the Council to request the Temporary Mixed Commission to consider the possibility of recommending concurrently, with the general scheme for the reduction of armaments, the negotiation of draft partial agreements for the same purpose to be submitted for examination and decision to the Government of the State Members of the League which are in a special geographical position and brought to the notice of States not Members of the League.

The draft agreements might should opportunity arise provide for reductions of armaments still greater than those provided for by the general scheme.

VII The Temporary Mixed Commission shall be invited to continue for a further period of one year the work which it has undertaken and to submit its report as early as possible before the meeting of the next Assembly.

The Assembly is of opinion that it is henceforth the duty of the Council to establish direct co-operation with the Governments with a view to formulating the general plan for the reduction or limitation of armaments which under Article VIII of the Covenant must be submitted for the consideration and decision of the several Governments.

The Assembly requests the Council to regulate and co-ordinate the work of the Temporary Mixed Commission and of the Permanent Advisory Commission in anticipation of the possible expiration of the Temporary Mixed Commission's mandate at the next Assembly.

The Assembly, having considered the resolution noted by the second Assembly in regard to the Disarmament Section of the Secretariat and taking into account the importance of the organization of the Commission that the Secretariat should be requested to re-visit the question when circumstances permit the special directorship of this Section which the second Assembly recommended as necessary.

2 — General Questions

ELECTION OF THE NON-PERMANENT MEMBERS OF THE COUNCIL

I The Assembly repeats the recommendation contained in resolution II of September 20th 1933 and refers it to the fifth Assembly.

II The Assembly also refers it in its Rules of Procedure between Articles 2 and 3, a text having effect on the Rules of Procedure laid down by Paragraph I of September 21st 1933.

III The Assembly reiterates the following recommendation:

It is desirable that the Assembly in electing the six non-permanent Members of the Council should make its choice with due consideration for the main geographical divisions of the world, the great ethnic groups, the different religious traditions, the various types of civilization and the chief source of wealth.

IV Guided by the spirit of the Covenant the Assembly strongly recommends the Members of the League, and especially the Members of the Council, to ratify the amendment to Article IV of the Covenant which was adopted by the second Assembly and express the confident hope that this amendment will come into force before the meeting of the fifth Assembly.

AMENDMENTS TO THE COVENANT

Whereas under the terms of Article XXVI of the Covenant the entry into force of amendments to the Covenant is conditional upon their ratification by the Members of the League whose representatives compose the Council and by a majority of the Members of the League whose representatives compose the Assembly.

Whereas for the entry into force of the amendment voted by the second Assembly to Articles IV, VI, XII, XIII, XV and XXVI there is now lacking only a very small number of the ratifications required by the Covenant,

Whereas, according to information obtained, the request for constitutional amendments are in far view of being completed in those States whose ratifications are still necessary.

Whereas, on the other hand, it would be desirable to hasten the entry into force of the amendments which have been voted should obtain a larger number of ratification,

The Assembly requests the Secretary-General to enter into communication with the Delegations of all Members of the League which have deposited ratifications to the amendments referred to in the second paragraph above for the purpose of requesting them to enter into with their Government, to induce the latter to expedite, if possible, the ratification of the said amendments and to express, if they think proper to do so, their intention with regard to ratification of the amendments to Article XVI.

AMENDMENTS TO ARTICLE XVI OF THE COVENANT

The Assembly decides to defer discussion of the British Government's amendments to Article XVI of the Covenant until the Fifth Assembly (1934).

FINANCIAL QUESTIONS

I In accordance with Article XXXVIII of the Regulations for the Financial Administration of the League of Nations the Assembly of the League of Nations approves the audited accounts of the League for the fourth financial period ending December 31, 1933.

II The Assembly of the League of Nations in accordance with Article XVII of the Regulations for the Financial Administration of the League of Nations approves for the budget period 1934 the General Budget of the League of the Secretariat and the Special Organizations of the League of the International Labour Organization and of the Permanent Court of International Justice, amounting in 1934 including the supplementary credits to 5,386,641 francs.

And decides that the budgets shall be published in the *Official Journal*.

III The Assembly adopts insofar as they have been approved by the Fourth Committee the findings of the various reports of the Supervisory Commission which have been submitted for its consideration.

IV The Assembly adopts the amendments to the Regulations for the Financial Administration of the League of Nations which are given as an annex to the Fourth Committee's report.

V The Assembly adopts the findings of the Fourth Committee's report.

ALLOCATION OF EXPENSES OF THE LEAGUE

I The Assembly

Considers that it is of practical importance to determine a scale of the contributions of the Members of the League of Nations for the year 1934 and

Considers that the scale adopted for the year 1933 has been recognized by general consent as being a more just and equitable system for the allocation of the said expenses than did that of the Universal Postal Union.

Approves the application of a scale which is based upon that of 1933 for the year 1934, and resolves that the new units made available by the accession of the Members admitted to the League in 1933 shall be divided among the Members for whom the existing allocation is partially heavy, the allocation shall be made by the Committee on the Allocation of Expenses.

And requests the Council to ask the Committee on the Allocation of Expenses presided over by M. Roelich to continue its researches with a view to preparing a definitive scale which may be presented to a subsequent Assembly. The Assembly leaves it to the Council to modify the composition of the Committee as it may desire.

II The Assembly begs the Council to urge the Members which have not already ratified the first amendment to Article VI of the Covenant voted by the Assembly of 1933 to do so as soon as possible.

III The Assembly inspired by a just sentiment of the community of interests of mankind and of its profound sympathy with Japan at a moment in which she has been overthrown by a cruel and unexpected catastrophe and anxious to lighten the economic tribulations of that country in such measure as the financial situation of the League allows.

Resolves to reduce to 60 the number of units assigned to Japan in the provisional scale of allocation for 1934. The other Members of the League of Nations undertake to meet the additional charges resulting from this reduction in proportion to the number of units assigned to each.

THE QUESTION OF UNPAID CONTRIBUTIONS

The Assembly approves the recommendations of the Fourth Committee on the question of unpaid contributions as reported of the period ending December 31st 1932 and decides that the accounts of the League should be modified accordingly.

COST OF LIVING AT GENEVA — SALARIES AND PENSIONS

I The Assembly approves as a whole the report presented by the Fourth Committee with regard to the cost of living at Geneva salaries and the establishment of a pensions fund.

II The Assembly decides to fix at one per cent the contributory portion of the share of all established officials (excluding the Secretary of the League and of the International Labour Office).

III The Assembly decides that a reduction of 10 per cent shall be made in the proportion of the cost of living to the variable portion of the salaries of all the officials mentioned in Resolution II.

IV The Assembly decides that the salaries of the Secretary General the Director of the International Labour Office and of all the high officials engaged at a fixed salary who have agreed that part of their own salaries should be regarded as a variable portion shall from now onwards be composed of two parts, the one fixed and the other variable the latter part being 10 per cent. of their present salary.

V The Assembly decides that the variable portion of the salaries of the officials referred to in Resolution IV shall undergo a reduction of 15 per cent. in respect of the year 1924.

VI The Assembly decides that the salaries of the locally engaged staff shall undergo a reduction in accordance with the proposals recommended in paragraph 10 of the report of the Fourth Committee.

VII The Assembly decides to establish a compulsory pensions fund for the officials of the Secretariat and the International Labour Office. It instructs the Supervisory Commission to draw up the final detailed regulation of the scheme in accordance with the proposals contained in the report of the Fourth Committee. It decides that the liabilities imposed on the Budget of the League of Nations in consequence of the scheme shall not exceed 5 per cent. of the total salaries of the officials affected by the pensions scheme which has been approved by the Supervisory Commission and which is referred to in the report of the Fourth Committee already mentioned.

THE QUESTION OF THE ERECTION OF A CONFERENCE HALL ON THE GROUND PRESENTED TO THE LEAGUE OF NATIONS BY THE REPUBLIC AND CANTON OF GENEVA AND BY THE CITY OF GENEVA

The Fourth Assembly

Considering that the land so generously presented to the League of Nations by the Republic and Canton of Geneva and by the City of Geneva ought to be prepared as soon as possible for the purpose for which it was given, that is the erection of a Conference Hall.

Recognising further that the use of the Salle de la Paix and the Bureau is attended with very serious inconveniences.

In the opinion that the financial position of the League of Nations does not at present permit it to incur expenditure on a large scale and nevertheless the postponement of the question of the erection of a Conference Hall until the Assembly of 1924.

The Assembly requests the Council to continue the work of preparation in the manner indicated in the Report of the Fourth Committee.

THE PRINCIPLE OF CLOSER MUNICIPAL RELATIONS

The Assembly decides to place on its agenda and to refer to the next Assembly of the League of Nations the following proposal submitted by the Cuban delegation:

‘ The Assembly,

Whereas the maintenance of direct relations between the important municipalities of the various countries is a necessary form of co-operation between peoples which will contribute largely to diffusing the ideals which led to the creation of the League of Nations and which guide its work.

Decides to accept with the greatest sympathy the principle of closer municipal relations which the Santiago Conference recommended to the members of the Pan American Union for adoption.

TRAVELLING FACILITIES FOR GROUPS OF STUDENTS, BOY SCOUTS AND GIRL GUIDES

The Assembly

Considering the importance of encouraging contact between the younger generations of different nations,

Invites the Governments of the States Members of the League of Nations to grant all possible facilities for travel by land or by water.

(a) To groups of students at higher or secondary educational institutions,

(b) To groups of Boy Scouts and Girl Guides.

to be longed to a registered national association of all States Members of the League when such groups are travelling from the territory of one State Member of the League either through or to the territory of another State Member.

WORK OF THE LATIN AMERICAN BUREAU

The Assembly having taken note of the favourable results of the work done by the Latin American Bureau during the past year and realising that the development of this Bureau offers an effective means of

referring an essential question between the Governments and the central organs of the League of Nations to the Secretary-General with the object of a project for the reorganisation of the Latin American Bureau and to request him to submit in due course a draft scheme to the Members of the League of Nations so that the fifth Assembly may, if circumstances permit, take a decision on the subject.

3 — Technical Organisations

THE WORK OF THE HEALTH ORGANISATION INCLUDING THE WORK OF THE EPIDEMIC COMMISSION

I The Assembly endorses without reserve the conclusions contained in the report which has been presented to it by the Second Committee signifying approval both of the work of the Health Organisation of the League of Nations during the past year and of its plans for the future.

The Assembly approves the decision of the Council to authorise the Health Committee to examine the Dutch proposal regarding free pratique stipulations as well as the proposal of the Second Committee to submit to the Health Committee the study of the means by which the results of the investigation on the standardisation of sera can be utilised by the Government. In conformity with the desire expressed by the third Assembly, the Health Committee will consult if necessary the other Technical Organisations of the League and will submit to the Council the results of its deliberations.

II The Assembly

Realising that the establishment of a single international health organisation much to be desired is not attainable in present circumstances, considers that in the treatment of health questions it is important to avoid the uncertainty and confusion to which the existence of two distinct organisations may give rise and consequently that it is advisable to establish closer relations between the health services of the League of Nations and the Office international d'hygiène publique by the constitution of the Health Organisation of the League and its branches which correspond to those of the other technical services of the League.

Having considered the resolution adopted by the third Assembly on September 15th 1927 which reads as follows:— that it may be possible before the meeting of the fourth Assembly, to prepare on the basis and according to the principles adopted by the first Assembly for the Technical Organisations of the League the constitution of a permanent Health Organisation which will be submitted to the fourth Assembly for approval. This Organisation will undertake the duties laid down in the resolutions of the first and second Assemblies.

And having considered the report of the Special Mixed Commission of the Office international d'hygiène publique and the Health Committee of the League of Nations, and in view of the fact that the Council has approved the scheme and decided that it be submitted for examination to the Assembly.

Decides to approve the scheme submitted by the Mixed Commission for the Health Organisation of the League of Nations and asks the Council to take all necessary steps to make this agreement effective.

Calls the attention of the Council to the views expressed in the report of the Second Committee to the fourth Assembly.

III The Assembly, in order to give effect to the wish expressed by the third Assembly, has decided that the Permanent Mandates Commission be communicated to the Health Committee of the League of Nations for any recommendations it may desire to make to the Permanent Mandates Commission.

THE WORK OF THE EPIDEMIC COMMISSION

The Assembly

Having considered Dr. Norman Whites report and the report of the Secretary-General forwarding to the Council the recommendations of the Health Committee submitted in accordance with the request of the Council formulated on August 31st 1923.

Pays tribute to the work of the Epidemic Commission and associates it with the people whom the Commission has helped and protected in expressing gratitude for the assistance rendered.

Takes note that the work of the independent voluntary contributors during a time of acute distress is likely to be hampered by the lack of funds of the present decade in the danger from epidemics should result in a diminution of contributions to an extent that make it impossible to provide urgent relief on the appearance of fresh epidemics.

Adopts a resolution that the Council should in case of a study which at present could be placed at the disposal of the Health Organisation of the League of Nations, should be able to make use of the results of its Epidemic Commission in the event of sudden epidemic outbreaks of exceptional importance which might involve political considerations.

THE ECONOMIC AND FINANCIAL COMMISSION

I The Assembly being conscious of the great importance of the problem of double taxation and financial evasion thanks to the Financial Committee the economists and Government experts who have examined the questions and expresses its desire that the studies may within a short time lead to an agreement on certain general principles

II The Assembly expresses its appreciation of the work undertaken or continued by the Financial Committee with a view to promoting the reconstruction of certain European countries. It feels confident that the technical opinion and the advice of the Committee may in the future as in the past be placed at the disposal of Governments which make a request to that effect, as has been done up to now in the case of Albania, Russia and the Republic of Serbia and the problem of the Greek refugees

III The Assembly

Realising the desirability and urgency of arriving by an international agreement to a more general recognition of the validity of the arbitration agreement whether relating to present or future differences which is designed to regulate by means of arbitration differences that may arise in connection with contracts and especially with commercial contracts concluded between persons subject to the jurisdiction of different States.

Recognising the great importance which commercial circles attach to the prompt settlement of this question,

Considering that the text of the Protocol submitted by the Second Committee differs from that which was communicated to the Members of the League by Circular Letter No. 50 of March 6th 1923 only as regards a few details of drafting which do not involve any modifications of substance

Decides to open the Protocol immediately for signature by the States expressing the desire that the greatest possible number of States may adhere to it as soon as possible

IV The Assembly, emphasising the importance for the establishment of normal trade relations of the object of the Conference on Customs Formalities which will open at Geneva on October 14th and concluding that the achievement of this object would be a further step towards a more equitable treatment as regards the commerce of the States, expresses the hope that the attendance of the States will be the largest possible and that the Conference may result in common agreement between the participating States

V The Assembly notes with satisfaction that the Economic Committee has succeeded in drawing up for the guidance of Members of the League a series of principles regarding the treatment of foreign nationals and enterprises duly admitted to establish themselves or to exercise their commerce or industry on the territory of another State. It endorses the action of the Council in recommending the States to put these principles into practice both by the adaptation of their national legislation and by the conclusion of bilateral agreements

VI The Assembly notes with satisfaction the step taken towards the establishment by means of international action of better provisions against unfair competition. It notes the conclusions of the Economic Committee as regards the protection of consumers against spurious goods

It further notes the desire expressed by various delegations for the protection not only of producers against unfair competition but also of consumers against dishonest trading. Whilst fully aware that the suppression of the spurious goods depends on the initiative of each individual nation it nevertheless hopes that the Economic Committee will discuss the possibility of international action with a view to the protection of consumers

VII The Assembly notes the conclusions of the Economic Committee with regard to the unsatisfaction of the regulations relating to bill of exchange. It also notes the further progress made towards the unification of the methods of compiling economic statistics

VIII The Assembly refers to the Economic Committee for careful examination the proposal of M. Adami with the exception of the proposal regarding the reservation in regard to coasting trade with which the Second Conference on Communications and Transport should deal if it thinks necessary

IX The Assembly notes the first measures taken by the Economic and Financial Organisation as regards the collaboration with the International Labour Office in the enquiry on the economic and financial aspects of the unemployment crisis. It also notes that the Economic Committee has decided to extend its study to the general problem of the present economic crisis recognising unemployment is but one consequence

X The Assembly follows with satisfaction the development of the publications of the Economic and Financial Organisation. It appreciates the utility of this documentation, which elucidates the present grave monetary, budgetary and economic problems

XI The Assembly notes with satisfaction the resolution adopted by the Council on September 10th last to proceed until further order the work of the Economic and Financial Commission. The Assembly in view of the substantial results already achieved by this body expresses its confidence that much useful work will be accomplished by it in the future

RECONSTRUCTION OF AUSTRIA

The Assembly

Having examined the report presented to it by the Provisional Economic and Financial Organisation with regard to the work of reconstruction in Austria and the account of the same work included in the general report of the Council to the Assembly which contains a summary of the information furnished in the monthly report of the Commissioner General

I Notes with great satisfaction the success of the most notable effort of economic reconstruction since the war,

It desires to emphasize that it was only through a scheme based on international co-operation through the League that this result could be obtained—and as a more comprehensive and less expert worked out in full detail by the League experts and enforced by control exercised through a high officer of the League,

It notes the remarkable effect of an established confidence illustrated by the support for the currency afforded by the returning financial resources of Austrians themselves by the large increase of savings and by the establishment of the economic life of the country on a sounder and more stable basis

III Notes with satisfaction the way in which both the technical organisation and the rest of the mechanism of the League have proved sufficiently flexible and efficient for a task of such magnitude and complexity, it notes too that the demonstrated effort of the economic authorities through the technical organisation have reduced the expenses of the League itself to the smallest dimensions

IV Emphasises furthermore that the reform already effected in Austria and those which may still be expected combined with increased revenue are such as to afford a reasonable belief that the task undertaken last year will be carried through with complete success. It notes that the increase in the revenues given as security for the service of the loan justifies the hope that it will not be necessary to appeal to the Guaranteeing Powers which by their own credit have supported the credit of Austria.

V Desires to express to the Austrian Government its appreciation of the energy, wisdom and initiative which have followed the path of reform and for the courage with which the Austrian people have accepted the necessary sacrifices and have thus made an invaluable contribution to the economic restoration of the world. It congratulates the Austrian Government on the rapid progress in the recovery of the country and it expresses the confident hope that Austria will continue without relaxation the administrative reforms which are still necessary to set the life of the country on a permanently sound economic and financial basis and to place her in the position of self-supporting prosperity and secure independence.

It desires at the same time to express its warm appreciation of the notable work of the Commissioner General Dr Zimmermann whose ability, impartiality and devotion have so greatly assisted Austria.

It desires also to express its thanks for their work to the Secretariat of the League of Nations to the technical organisation in particular to the Financial Committee, and to all those who in many countries have assisted in conducting the financial operations to a successful issue.

COMMUNICATIONS AND TRAVEL

The Assembly

Having taken cognizance of the reports submitted by the Advisory and Technical Committee for Communications and Transport concerning the work of the Communications and Transport Organisations between the third and fourth Assemblies

Notes with satisfaction the work of the Organisation during the period and the results achieved both in respect of the preparation of the four draft Conventions to be submitted to the second General Conference which met on November 15th (in which the Assembly shares the hopes of the Council that all recognised States will participate) and in respect of the drawing up of numerous resolutions dealing with all the most important questions the Assembly desired to bring to the notice of the Council and of the Governments concerned.

Notes with satisfaction the complete success of the first application of the procedure for technical consultation of reference to the League States which related to questions affecting communications and trusts that this procedure which has been established by the resolution of the first Assembly for the settlement of disputes concerning the execution of the Treaty of Locarno and by the provision of various subsequent conventions will be as effective in the future for the carrying out of the work for which it was designed.

Notes the work of a more essentially practical nature carried out by the Advisory and Technical Committee. It has notably taken special note of the enquiry undertaken in accordance with the decision of the last Assembly in the application of the resolutions of the Geneva Conference regarding the restoration and improvement of means of communication in Europe. The Assembly draws attention to the resolutions adopted by the Committee as a result of the investigation and that with regard to Western Europe the efforts for the restoration of transport which have been necessary as a result of the war can be considered as a progress which has led to the general achievement of a more liberalisation of traffic with regard to Central and Eastern Europe. It expresses its appreciation of the measures laid down at the Geneva Conference and at the preceding

International Conference as well as the efforts made by the Governments have resulted in general in a marked improvement both in the material restoration of the means of transport and in the facilities given to international traffic. No article should be pointed out that the important progress made to be recalled is subordinate to considerations which are far wider than those of transport, and particularly the problem of the stabilisation of exchange and that of credits.

Whereas the present Advisory and Technical Committee for Communications and Transport will be subject to renewal at the forthcoming General Conference, the Assembly offers its heartfelt thanks to it for the work that it has done and expresses its confidence that the next Committee will continue that work, making use of the same procedure and inspired by the same ideas.

WORK OF THE COMMITTEE ON INTELLECTUAL CO-OPERATION

I The Assembly

Considering it desirable to increase the authority of the Committee on Intellectual Co-operation by enlarging it so that it should represent not only the various intellectual methods but also the various national cultures.

Has agreed with satisfaction the intention expressed by the Council at its meeting of April 3rd 1923 of adding to the Committee on the occasion of the next vacancy a professor of the University of Vienna as representative of the German culture,

Having noted also the legitimate demands expressed by the delegate of Roumania, the Kingdom of the Serbs, Croats and Slovenes and Czechoslovakia by the Spanish-speaking delegates of America by the Argentine delegates and by the delegates of Ireland and of the Finno-Ugrian nation.

Requests the Council to consider the possibility of increasing the number of members on the Committee, introducing at the same time a system of rotation to be determined.

II The Assembly considering that it is important to encourage and facilitate the work of mutual intellectual assistance among the various nations endorses the resolution adopted by the Council and

(a) Expresses the hope that the Committee on Intellectual Co-operation availing itself of the help of the delegate of the National Commissions will at its next session, take up with renewed energy the urgent problem of intellectual assistance.

(b) Is of opinion that National Committees should also be established in two countries which have not yet established intellectual co-operation and that they should differ widely.

(c) Requests the Council to ask the Government Members of the League of Nations to be good enough to lend their moral and financial support to the National Committees—so that they have not already done so—and to authorise the Committee on Intellectual Co-operation to receive from any institution or private person interested in the work funds destined for this purpose, and

(d) Invites the Committee to continue the investigation into the conditions of intellectual life which it has started and to communicate the results obtained.

III The Assembly, taking note of the statements of the Committee and of its Chairman in regard to the impossibility of continuing their work unless an international university information office is formed, authorises the Committee to convert its secretariat into an international university information office.

The initial activities of this office might include:

(a) Communication of the recommendations of the Committee on Intellectual Co-operation for their information to the competent authorities and particularly to the national university information offices.

(b) Publication of any information which it may receive especially from national university information offices, with such office's views in regard to the equivalence of studies and diplomas recognised by different countries, the curriculum of universities and university courses relative to modern national teaching of modern languages, literatures and sciences and international vacation courses.

(c) Preparation of a meeting between the University Sub-Committee and the delegates of the international students as mentioned with a view to organising holidays for students and exchange of students with the convenience of the universities.

(d) Establishment of relations with all the organisations existing in various countries for the purpose of rendering exchanges of professors more frequent.

IV The Assembly, sharing the Committee's conviction that the international organisation of bibliography serves to establish close relations between scholars in different countries and to facilitate their individual studies.

(a) Invites the Committee to publish the Index Bibliographique which it has planned and to pursue its efforts in regard to co-operation between the libraries or groups of libraries which have been formed in the different countries and in regard to the utilisation of the work of the International Bibliographical Institute at Brussels.

(b) Authorises the Committee forthwith to take necessary steps to summon technical conferences for the purpose of co-ordinating the work of analytical bibliography, abstracts in certain specified sciences

(c) Requests the Council in agreement with the Committee on Intellectual Co-operation, to convene a conference of experts to prepare the eventual revision of international conventions relative to the exchange of publications of every kind, books, periodicals, catalogues, papers and the like

V The Assembly, grieving at the calamity which has befallen the universities and libraries of the capital of Japan, invites the Committee on Intellectual Co-operation to study means to afford international assistance so far as to facilitate the reconstitution of the libraries and scientific collections which have been destroyed in Japan

VI The Assembly, approving the principle of Senator Ruffin's scheme in regard to the protection of artistic property, and in consideration of the resolution on this subject adopted by the Council, decides to forward this scheme to all the Governments, to request them to communicate to the Secretariat of the League of Nations any observations they may wish to make in order to enable the Committee on Intellectual Co-operation to draw up, if the necessity arise, a final draft convention to be placed on the agenda of the fifth Assembly, and submitted subsequently to all for the States signature and ratification

VII The Assembly, noting with satisfaction that the Committee has given its consideration to international problems relative to art and artists, authorises the Committee to establish relations with the municipality of Capri, which has offered to place the Chartreuse at Capri at the disposal of the artists of the various countries in order to ascertain after enquiry whether the Council should be asked to accept this offer

VIII The Assembly urges the Governments of the States Members to arrange that the children and youth in the war-affected countries where such teaching is not given be made aware of the existence and aims of the League of Nations and the aims of the League

IX Having noted with all the interest due to the great importance of the subject, the Spanish Government proposals concerning the equivalent recognition in all States of certain secondary educational diplomas, the creation of an International University and the foundation of a higher educational establishment in each of the countries Members of the League of Nations, whose diplomas shall be valid in all countries Members of the League

And having duly appreciated the importance of these proposals without prejudice to the main issue involved

Decides to request the Council to refer these proposals to the Committee on Intellectual Co-operation for consideration in order that the Committee may draw up a report on the subject to be submitted to the fifth Assembly,

4 — Mandates

The fourth Assembly of the League of Nations

Having taken cognisance of the reports of the Permanent Mandates Commission and of the observations of the accredited representatives of Australia, Great Britain, Japan, New Zealand and the Union of South Africa

(a) Expresses its satisfaction with the extensive work which this Commission has so conscientiously accomplished and with the notable progress made in the mandated territories since the last Assembly,

(b) Requests the Commission to pursue its task with the same zeal and the same impartiality,

(c) Expresses the confident hope that the Commission will continue to enjoy the co-operation of the Mandatory Powers in the work of effecting a continuous improvement in the moral and material condition of the native and in particular of the women and children by means of the organisation of general and professional education, the improvement of public health, the equitable remuneration of native labour and the final abolition within as short a time as possible of slavery in all its forms including its domestic form,

(d) Expresses its regret that the Permanent Mandates Commission has not been able to report that satisfactory conditions have as yet been re-established in the Bondelwarri district and the hope that the future reports of the Union of South Africa will contain such information as may enable all disagreements in this connection

5 — Protection of Minorities

In accordance with the terms of Article XXIV of the Covenant of the League of Nations, the Commission on the subject of minorities shall be restricted to the Members of the Council. In virtue of paragraph 5 of the Annex to the Covenant, dated September 21st 1919, however any Government Member of the League can make a request to the Secretariat to put it (with the observations of the Government concerned) on the agenda of the Council to be communicated also to that Government

6 — Political Questions

QUESTION PLACED ON THE AGENDA OF THE FOURTH ASSEMBLY AT THE REQUEST OF THE LITHUANIAN GOVERNMENT

The Assembly decided, according to the desire expressed by the Lithuanian delegation to refer to the fifth Assembly the question placed on the agenda of the present session at the request of the Lithuanian Government:

(a) The Council's resolution of January 14th, 1923,

(b) Preference of certain questions to the Permanent Court of International Justice for an advisory opinion.

EASTERN CAROLIA

The Assembly of the League of Nations

Recognizing the importance of the question of Eastern Carolina

Notes the declaration of the Finnish Delegation that the Finnish Government is in the absence of any decision or an contrary opinion pronounced by any international jurisdiction maintains its right to consider the clauses of the Treaty of Drott and the supplementary declaration relating to the State of Eastern Carolina as agreements of an international order

And requests the Council to continue to solve all official information relating to the question with a view to seeking any satisfactory solution rendered possible by subsequent events

7 — Social and Humanitarian Questions

WORK OF THE HIGH COMMISSION FOR REFUGEES

(a) Prison Prisons (b) Bulgarian exiles expelled from Western Thrace

The Assembly

Having heard the report of the High Commissioner of the League of Nations for the work which he has accomplished during the past year

Approves the report and wishes to express its entire satisfaction with the way in which the High Commissioner has discharged the duties entrusted to him and to record its very high appreciation of the service which he has rendered to the League of Nations

Moreover as the work with which the High Commissioner was entrusted is not yet terminated and as it is essential both in the interests of the refugees and of the Governments concerned that he or his successor should continue its activities

It is the duty of the League of Nations to continue to support the work of the High Commissioner in the matter of relief and assistance

Considers that the present situation of the Russian refugee, although considerably improved remains very precarious and that the termination of the activities of the High Commissioner would materially diminish the prospects already raised in behalf of the refugees

The Assembly further invites the Council to request the Governments of the Members of the League to continue to assist the High Commissioner in his work and to express their confidence in his efforts to secure the development of the means of general and professional education and the securing of employment for the refugees

(c) New East Refugees

The Assembly

Having noted with great interest the report of the High Commissioner for Refugees on the work which he has so successfully carried out on behalf of the refugees of Asia Minor, particularly with a view to carrying into effect the scheme for their permanent settlement in Greece

Desires to express to him its gratitude for the eminent services which he has rendered to the League and to the refugees and

Is of the opinion that he should continue to collaborate in the work undertaken on behalf of the refugees

Invites the High Commissioner to co-ordinate the work of the other organizations dealing with the refugees

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

I The Assembly expresses its deep appreciation of the very valuable work done by the Advisory Committee on Traffic in Opium and other Dangerous Drugs, adopts its report and resolutions, taking note of the observations contained therein and asks the Council to take the necessary step to put these resolutions into effect.

II The Assembly, in view of Turkey having agreed by the Treaty of Lausanne to adopt and to enforce the International Opium Convention of 1911 and in view of its importance as an opium-producing country, expresses the wish that the Turkish Government—on its ratification of the Convention and signature of the final Protocol of 1914—be invited to nominate a representative to sit on the Advisory Committee.

III The Assembly asks the Council to repeat its request to the Governments of Albania, Argentina, Colombia, Costa Rica, Lithuania, Paraguay, Persia and Switzerland that they should take all possible measures with a view to the prompt ratification and application of the Opium Convention.

IV The Assembly, taking note with regret of the fact that a number of countries have not yet adopted the import certificate system as recommended by the Assembly in 1911 and 1912, reiterates the opinion expressed by the Assembly in 1911 that this system is the most practical method yet suggested for controlling the import and export of the drug in accordance with the provisions of the International Opium Convention and that its success depends on its adoption by all countries engaged in importing or exporting the drugs, and in view of the serious difficulties created by the non-adoption up to the present of the system by several important countries, requests that the Advisory Committee may be instructed to proceed with the consideration of the suggestion contained in the second resolution adopted by the Assembly in 1912 and to report separately to the next Assembly on the whole situation.

V The Assembly approves the proposal of the Advisory Committee that the Governments concerned should be invited immediately to enter into negotiations with a view to the conclusion of an agreement as to the measure for giving effective application in the Far Eastern territories to Part II of the Convention and as to a reduction of the amount of raw opium to be imported for the purpose of smoking in the territories where it is temporarily continued and as to the measure which should be taken by the Government of the Republic of China to bring about the suppression of the illegal production and use of opium in China and requests the Council to invite those Government to send representative with plenipotentiary powers to a conference for the purpose and to report to the Council at the earliest possible date.

VI The Assembly, having noted with satisfaction that in accordance with the hope expressed in the fourth resolution adopted by the Assembly in 1911 the Advisory Committee has reported that the information now available makes it possible for the Government concerned to examine with a view to the conclusion of an agreement the question of the limitation of the amounts of morphine, heroin or cocaine and their respective salts to be manufactured, of the limitation of the amounts of raw opium and the coca leaf to be imported for that purpose and for other medicinal and scientific purposes, and of the limitation of the production of raw opium and the coca leaf for export to the amount required for such medicinal and scientific purposes, requests the Council as a means of giving effect to the principles submitted by the representatives of the United States of America and to the policy which the League, on the recommendation of the Advisory Committee, has adopted to invite the Governments concerned to send representative with plenipotentiary powers to a conference for this purpose to be held, if possible, immediately after the conference mentioned in Resolution V.

The Assembly also suggests for the consideration of the Council the advisability of entrusting this conference so as to include within its scope all countries which are Members of the League or Parties to the Convention of 1911 with a view to securing the ratification to the principles that may be embodied in any agreement reached.

TRAFFIC IN WOMEN AND CHILDREN

I The Assembly decides to adopt as its final resolutions and measures taken by the Council in regard to the report of the Advisory Committee on the Traffic in Women and Children and expresses its great appreciation of the work accomplished by the Advisory Committee and by the Council.

II The attention of the Assembly having been called to the circumstances in which women are alleged to be detained in houses of ill-repute, the Assembly commends to the Council that the Advisory Committee on the Traffic in Women and Children be asked to consider whether it would not be desirable to draw the attention of all States in which a system of State regulation is still in force to this question and to invite these States to make an enquiry and to take special precautions to ensure the protection and the free full liberty of women inmates of houses of ill-repute.

III The Assembly endorses the recommendation of the Advisory Committee as to the employment of women police officers for the purpose of engaged in dealing with prostitution.

IV The Assembly notes the remarks of the Advisory Committee on the subject of the signature and ratification of the Convention of 1921. It expresses its regret that so few States have as yet ratified the Convention and it recommends the Council to invite the States which have not adhered to or ratified the Convention to be good enough to inform the League as to the circumstances which have prevented their doing so.

V The Assembly attaches great importance to the proposed expert enquiry already referred to and avows as the earnest hope that the Governments concerned will give the fullest facilities to the experts in any investigation which they may think necessary to undertake on the spot.

VI The Assembly understands that the provisions of the International Convention on the subject of the traffic in women and children are not at present applied to the mandated territories administered by the League. It recommends the Council to request the Permanent Mandates Commission to give further consideration to this question.

PROTECTION OF YOUNG WOMEN TRAVELLING ALONE

The Assembly decides that the following proposal made by the Cuban delegation shall be placed on the Agenda and referred to the Fifth Assembly.

Young women not having reached their majority and travelling alone shall be required to provide themselves with a certificate from the authorities of the port of embarkation containing a surance as to their previous conduct.

PROTECTION OF WOMEN AND CHILDREN IN THE NEAR EAST

The Assembly approves the reports of Dr Kennedy and Mr Sharf Jappe. It expresses its appreciation of the work accomplished and expresses the hope that the League shall continue to take effective measures for the protection of women and children in the Near East.

QUESTION OF SLAVERY

The Assembly of the League of Nations

Having taken cognisance of the information obtained up to the present from Members of the League and considering that it cannot form the basis of a sufficiently complete report:

(a) Expresses to the Council its gratitude for the steps taken to carry out the request made by the third Assembly, relating to the question of slavery;

(b) Requests the Council to entrust to a competent body the duty of continuing the investigation with a view to obtaining further information on the subject (particularly from the Governments of States Members of the League) and if necessary from individuals or organisations whose competence and reliability are recognised;

(c) Hopes that the results of this investigation be communicated if possible to the fifth Assembly and expresses the desire that in any case the fifth Assembly receive a report showing the progress made in different countries with regard to the suppression of slavery in all its forms.

INTERNATIONAL ORGANISATION DESIGNED TO TAKE PART IN THE RELIEF OF PEOPLES STRICKEN BY CALAMITIES

The Assembly

Having noted with great interest the report prepared by the Secretary-General and the proposals of the Council with reference to the scheme of Senator Cissels President of the Italian Red Cross whose lofty principles of human solidarity and international co-operation it approves.

Authorises the Council to instruct the Secretary-General

I To communicate to the various Governments these two documents as well as any remarks thereon which may be made by the Red Cross Organisations with the request that they communicate their observations on the subject to the Secretariat;

II To keep the Council informed from time to time of the replies of the Governments with a view to the ultimate submission to the Assembly of any proposals which on the basis of these replies the Council may see fit to make.

INTERNATIONAL ARRANGEMENTS FOR LEGAL JUSTICE FOR THE POOR

The Assembly decides

(a) That the question referred to in the memorandum from the Norwegian Delegation regarding international arrangements for civil justice for the poor be placed on the agenda of the fifth Assembly;

(b) That the Secretary-General be invited in the meantime to prepare a report and to make such enquiries, under the authority of the Council as may be found desirable without expenditure of League funds.

XI — Text of the Treaty of Mutual Assistance

PREAMBLE

The High Contracting Parties being desirous of establishing the general lines of a scheme of mutual assistance and of a reduction or limitation of armaments in accordance with the Article VIII of the Covenant to the League of Nations in conformity with national safety and the effective common action of nations in collaboration agree to the following provisions:

ARTICLE I

The High Contracting Parties solemnly declare that aggression is an international crime and establish that no one of them will be guilty of its commission.

A war will not be considered as a legitimate defence of a State which is guilty of aggression and has accepted the unanimous recommendation of the Council the verdict of the Permanent Court of International Justice or a final award given by the High Contracting Parties which has not accepted it provided however that the first State does not intend to violate the political independence or the territorial integrity of the High Contracting Parties.

ARTICLE II

The High Contracting Parties jointly and severally undertake to furnish assistance in accordance with the provisions of the present Treaty to any one of the number should the latter be the object of a war of aggression provided that this conforms to the provisions of the present Treaty regarding the reduction of armaments.

ARTICLE III

In the event of one of the High Contracting Parties being of opinion that the armament of any other High Contracting Party is in excess of the limits fixed for the latter High Contracting Party by the provisions of the present Treaty in the event of its having cause to apprehend an outbreak of hostilities either in conformity with its policy or preparations of any State party or not to the present Treaty it may inform the Secretary-General of the League of Nations that this is threatened and the Secretary-General shall forthwith summon the Council.

The Council if it is of opinion that there is reasonable ground for thinking that a menace of aggression exists shall immediately, and after consultation with the members of the Council, decide whether those indicated in subparagraphs (a) (b) (c) (d) and (e) of the second paragraph of Article 5 of the present Treaty.

The High Contracting Parties shall be bound by the decisions and those which have stated their desire to be the object of a threat of aggression shall be considered as especially interested and shall therefore invite and representatives to the Council in conformity with Article IV VIII and X of the Covenant. The vote of the representatives shall however not be reckoned when exercising unanimity.

ARTICLE IV

If the case of one or more of the High Contracting Parties being engaged in hostilities the Council of the League of Nations shall decide with a four-fifths majority of the members of the Council of the League of Nations the objects of aggression and whether they are entitled to claim the assistance provided under the Treaty.

The High Contracting Parties undertake that they will accept such decisions by the Council of the League of Nations.

The High Contracting Parties engaged in hostilities shall be regarded as especially interested and shall therefore be entitled to send representatives to the Council (within the terms of Articles IV VIII and X of the Covenant) and one of the representatives not be appointed by the Council in conformity with the provisions of the present Treaty to any party agree to provide on behalf of the other of the co-belligerent the same number of the Council shall be decided otherwise.

ARTICLE V

The High Contracting Parties undertake to furnish one another mutual assistance with a view to the case of a violation of the Treaty in conformity with the Charter of the League of Nations as the Council and to take all appropriate measures to that effect in the order of urgency demanded by the circumstances.

The present Treaty shall be ratified.

The High Contracting Parties undertake to the League of Nations the economic sanctions contemplated by Article 11 of the Covenant of the League of Nations and to the League of Nations the present Treaty not be of force.

ever bound by this decision except in the case where the State attacked is entitled to avail itself of Article 1 of the Covenant.

(c) Invoke by name the High Contracting Parties whose assistance is required. No High Contracting Party situated in a country other than that in which operations will take place shall in principle be required to co-operate in military, naval or air operations.

(d) Determine the means and methods of securing the communication of the message.

(e) Prescribe all measures, measures for securing priority, for the communications and transport connected with the operations.

(f) Prepare a plan for financial co-operation among the High Contracting Parties with a view to providing for the State attacked and for the States furnishing assistance the funds which they require for the operation.

(g) Appoint the Higher Command and establish the object and the nature of its duty.

The representatives of States recognized as aggressors under the provision of Article 4 of the Treaty shall not take part in the deliberations of the Council specified in this Article. The High Contracting Parties shall be required by the Council to furnish assistance in accordance with sub-paragraph (h) shall on the other hand be understood as especially not restricted and as such shall be invited to send representatives unless they are already represented to the deliberations specified in sub-paragraph (c), (d), (e) and (f).

ARTICLE 6

For the purpose of rendering the general assistance mentioned in Articles 1 and 2 unconditional, the High Contracting Parties may conclude either as between two of them or as between a larger number of agreements complementary to the present Treaty exclusively for the purpose of their mutual defence and intended solely to facilitate the carrying out of the measures provided in the Treaty determining in advance the assistance which they would give to each other in the event of any act of aggression.

Such agreement may if the High Contracting Parties so desire be negotiated and concluded under the auspices of the League of Nations.

ARTICLE 7

Complementary agreements as defined in Article 6 shall before being entered into be submitted by the Council on a view to decide whether they are in accordance with the principles of the Treaty and of the Covenant.

In particular the Council shall consider if the object of agreement contemplated in these agreements comes within the scope of Article 1 and is of a nature to give rise to an obligation to give assistance on the part of the other High Contracting Parties. The Council may nevertheless recommend in the case of agreements submitted to it.

When recognized the complementary shall be entered into by the High Contracting Parties. The Treaty shall be regarded as complementary to the present Treaty and shall in no way limit the general obligations of the High Contracting Parties nor the sanctions contemplated against the aggressor State under the terms of this Treaty.

They will be open to any other High Contracting Party with the consent of the signatory States.

ARTICLE 8

The States parties to complementary agreements may undertake in any such agreement to put into immediate execution in the case of a pre-arranged violation in them by plan of action agreed upon in this case they shall inform the Council of the League of Nations without delay concerning the measures which they have taken to ensure the execution of such agreement.

Subject to the terms of the previous paragraph the provisions of Articles 4 and 5 shall also apply to some extent force both in the case of a violation in the complementary agreement and in such other cases as are provided for in Article 1 but are not covered by the agreements.

ARTICLE 9

In order to facilitate the application of the present Treaty, any High Contracting Party may negotiate through the agency of the Council with one or more neighbouring countries for the establishment of demilitarized zones.

The Council with the co-operation of the representatives of the Parties interested shall within the limits of Article IV of the Covenant shall provide by agreement but the establishment of the demilitarized zone shall not be a condition for unilateral sanctions from the military point of view on the part of the High Contracting Parties interested.

ARTICLE 10

The High Contracting Parties agree that the whole cost of any military, naval or air operations which are undertaken under the terms of the present Treaty and of the supplementary partial agreements including

the repayment of all material damage caused by operations of war shall be borne by the aggressor State up to the extent and limits of its financial capacity.

The amount payable under this Article by the aggressor shall, to such an extent as may be determined by the Council of the League, be a first charge on the whole of the assets and revenues of the State. Any repayment by that State in respect of the principal money and interest of any loan internal or external issued by it directly or indirectly during the war shall be suspended until the amount due for cost and reparations is discharged in full.

ARTICLE 11

Disarmament

The High Contracting Parties in view of the security furnished them by this Treaty and the limitation to which they have consented in other international treaties undertake to inform the Council of the League of the reduction or limitation of armaments which they consider proportionate to the security furnished by the general Treaty or by the defensive agreements complementary to the general Treaty.

The High Contracting Parties undertake to co-operate in the preparation of any general plan of reduction of armaments which the Council of the League of Nations, taking into account the information provided by the High Contracting Parties, may propose under the terms of Article VIII of the Covenant.

This plan should be submitted for consideration and approved by the Government, and, when approved by them, will be the basis of the reduction contemplated in Article of the Treaty.

The High Contracting Parties undertake to carry out this reduction within a period of two years from the date of the adoption of this plan.

The High Contracting Parties undertake in accordance with the provisions of Article VIII paragraph 4 of the Covenant to make no further increase in their armaments when thus reduced without the consent of the Council.

ARTICLE 12

The High Contracting Parties undertake to furnish to the military or other delegates of the League such information with regard to their armaments as the Council may request.

ARTICLE 13

The High Contracting Parties agree that the armaments determined for each of them in accordance with the present Treaty shall be subject to revision every five years beginning from the date of the entry into force of this Treaty.

ARTICLE 14

Nothing in the present Treaty shall affect the rights and obligation resulting from the provisions of the Covenant of the League of Nations or of the Treaties of Peace signed in 1919 and 1920 at Versailles, Neuilly, Saint Germain and Trianon, or from the provisions of treaties or agreements registered with the League of Nations and published by it at the date of the first coming into force of the present Treaty as regards the signatory or beneficiary Powers of the said Treaties or agreements.

ARTICLE 15

Reservation for existing treaties
Compulsory jurisdiction of the Court.

The High Contracting Parties recognise from to day as *op facto* obligatory, the jurisdiction of the Permanent Court of International Justice with regard to the interpretation of the present Treaty.

ARTICLE 16

Signature
Ratification
Accession

The present Treaty shall remain open for the signature of all State Members of the League of Nations or mentioned in the Annex to the Covenant.

States not Members shall be entitled to adhere with the consent of two thirds of the High Contracting Parties with regard to whom the Treaty has come into force.

ARTICLE 17

Any State may, with the consent of the Council of the League, notify its conditional or partial adherence to the provisions of this Treaty, provided always that such State has reduced or is prepared to reduce its armaments in conformity with the provisions of this Treaty.

ARTICLE 18

The present Treaty shall be ratified and the instrument of ratification shall be deposited as soon as possible with the Secretariat of the League of Nations.

It shall come into force

In Europe when it shall have been ratified by five States of which three shall be permanently represented on the Council.

In Asia when it shall have been ratified by two States one of which shall be permanently represented on the Council.

In North America when ratified by the United States of America

In Central America and the West Indies when ratified by one State in the West Indies and two in Central America,

In South America when ratified by four States

In Africa and Oceania when ratified by two States

With regard to the High Contracting Parties which may subsequently ratify the Treaty it will come into force at the date of the deposit of the instrument

The Secretariat will immediately communicate a certified copy of the instruments of ratification received to all the signatory Powers

It remains understood that the rights stipulated under Articles 3, 5, 6 and 8 of the Treaty will not come into force for each High Contracting Party until the Council has certified that the said High Contracting Party has reduced its armaments in conformity with the present Treaty, or has adopted the necessary measures to ensure the execution of this reduction within two years of the acceptance by the said High Contracting Party of the plan of reduction or limitation of armaments

ARTICLE 19

The present Treaty shall remain in force for a period of fifteen years from the date of its first entry into force

After this period it will be prolonged automatically for the States which have not denounced it

If however one of the States referred to in Article 18 denounces the present Treaty the Treaty shall cease to exist as from the date on which denunciation takes effect

This denunciation shall be made to the Secretariat of the League of Nations and each shall without delay notify all the Powers bound by the present Treaty

The denunciation shall take effect twelve months after the date on which notification has been communicated to the Secretariat of the League of Nations

When the period of fifteen years, referred to in the first paragraph of the present Article has elapsed, or when one of the denunciations made in the conditions determined above takes place if operations undertaken in application of Article 5 of the present Treaty are in progress the Treaty shall remain in force until peace has been completely re-established

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OCTOBER 1925

Vol III No. 10

November 15th 1925

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Communications concerning the Monthly Summary should be addressed to the Information Section, League of Nations, Geneva.

I -- Summary of the Month

The most important single activity of the League of Nations during the month of October was the International Conference on Customs Formalities, when thirty four States, including Germany, Egypt, and the protected territories of Morocco

and Tarr, together with an unofficial delegation of experts appointed by the United States Government and a large delegation from the International Chamber of Commerce met at Geneva for three weeks.

The purpose of the Conference was to attempt by common agreement to do away with some of the unnecessary customs formalities which have grown up since the war and which have tended greatly to impede the flow of international trade. While definitely excluded from any consideration of tariff policy, the Conference endeavoured to secure an agreement for greater freedom of trade and travel by such means as the early publication of new tariffs, the simplification of customs formalities, the free importation of samples, the quicker examination of passengers' luggage, the expediting of the work of travelling salesmen etc. To this end a draft international Convention and a series of recommendations were agreed to and signed immediately after by thirty-two nations.

During October, also, the suggestion made at the last meeting of the Council by the Roumanian, Serb, Croat, Slovene and Czechoslovak governments became effective when the Reparation Commission definitely asked the League of Nations to draw up a plan for the financial reconstruction of Hungary. Accordingly, the instructions given at the last Council session in anticipation of this request are now being carried out, experts from the Secretariat and the Reparation Commission will shortly leave for Budapest, and the Financial Committee itself will meet about November 20th to consider their report and to draw up in turn a report for the next meeting of the Council in December.

The ninth and tenth reports of the League Commissioner General at Vienna show continued progress in the work for the financial restoration of Austria. Similarly, the studies begun some time ago for the solution of the problem of double taxation were continued in a new meeting of governmental representatives at Geneva when agreement was reached on certain of the principles at issue, notably as regards fiscal cohesion and the taxation of different kinds of income. Finally, three important publications were issued during the month, on Military, Naval and Air Forces in peacetime, on Expenditure for National Defence and on the financial position of seventeen different countries.

In the political field, the question of Memel was referred to the Council by the Conference of Ambassadors, which, as representative of the Principal Allied Powers, is entrusted by the Treaty of Versailles with the disposition of this territory. During October, also, the Committee of Jurists was appointed to report to the December session of the Council on certain questions as to the interpretation of the Covenant arising out of the recent Italo-Greek difficulty. The fifteenth report on the Spanish Revolution was also received and published during the month, and the report on further treaties under article XXIII of the Covenant brought the total number registered with the League to over five hundred. Finally, the Permanent Court of International Justice has been summoned in extraordinary session for November 12th to give urgently an advisory opinion on a question in connection with the delimitation of the Czechoslovak Polish frontier in the Lwovsk district.

Among the social and humanitarian questions, the American Bureau of Social Hygiene Inc., contributed up to 75,000 dollars towards the cost of the expert enquiry recommended by the Advisory Committee on Traffic in Women and Children into the scope and method of operation of that traffic. The plans for the definite settlement of from 50,000 to a million refugees in Greece were advanced by fulfilment on 1st the condition for the first lot of 1 million pounds and by the arrival in France of Mr. H. R. Hodge, a gentleman who had been appointed by the Council of the League. Chairman of the Refugee Settlement Commission. A conference of the thirty-six states in many countries was held at Geneva and the third international conference of the League for the Disarmament of Women was held.

At last, much delayed, a report follows upon the first session of the Assembly and of the Council. It would be by the secretariat. Amongst its merits to be included the fact that it is a better record of the Draft Treaty of Mutual Guarantee

and the convocation for January 21st of a Conference of Naval Experts to consider the extension of the principles of the Washington Naval Convention to non signatory States

II — The Permanent Court of International Justice

EXTRAORDINARY SESSION ON THE DELIMITATION OF THE CZECHOSLOVAK-POLISH FRONTIER

The President of the Permanent Court of International Justice has convened the Court in extraordinary session on November 12th to consider an advisory opinion on a question relating to the delimitation of the frontier between Poland and Czechoslovakia in the district of Jaworzyna. At this session, the fourth since its inauguration, the Court will be composed as follows

M. Loder	President
M. Weiss	Vice President
Lord Finlay	Judges
M. Nyholm	
M. Oda	
M. Anzilotti	
M. Huber	
M. Kovanovitch	Deputy Judges
M. Buchmann	
M. Negulesco	
M. Wang	

The Council, on September 28th, decided to seek the advisory opinion of the Court with a view to effecting a prompt and definite settlement of the question at issue. The convocation of an extraordinary session of the Court was necessary on account of the urgency of the matter and the fact that the Council wished to reach a solution, if possible, at its next session, which opens on December 10th.

III — The Reduction of Armaments

I — CONFERENCE OF NAVAL EXPERTS

A conference of naval experts from fifteen States has been convened to meet at Geneva on January 21st 1924, to consider the application of the principles of the Washington Naval Treaty to States not signatory to that Treaty, whether or not Members of the League. At this conference an effort will be made to prepare a draft convention to form a basis of discussion at the International Conference recommended by the third Assembly, to which all Powers will be invited, whether they possess a navy or not.

The January conference will be composed of two elements: on the one hand, the Naval Sub-Committee of the Permanent Advisory Commission for Military, Naval and Air Questions, consisting of the naval representatives of Brazil, Great Britain, France, Italy, Japan, Spain and Sweden, on the other, naval experts delegated by the Argentine Republic, Chile, Denmark, Greece, Netherlands, Norway, Russia and Turkey, States which are not parties to the Washington Treaty, whose

armaments have not been limited by the Peace Treaties, and which own warships corresponding to the Washington definition of "capital ships", in other words, having a displacement of more than 10,000 ton., or carrying guns of more than 203 millimeters

2 — NATIONAL DEFENCE EXPENDITURE

During October two important Memoranda were published by the League, one on Military, Naval and Air Forces in peace time, the other on Expenditure for National Defence. Both form part of the statistical enquiry on national armaments which the League of Nations Commission for the Reduction of Armaments has been conducting for several years.

In 1922, the Third Assembly of the League, after expressing its satisfaction with the work accomplished in collecting and compiling statistical data in an entirely new and peculiarly difficult field, decided upon a programme for the following year which would be both useful and practicable. The competent League Commissions (the Temporary Mixed Commission and the Permanent Advisory Commission) were accordingly asked to extend their enquiry to the two following points, peace time armaments and expenditure on armaments.

a) *Military, Naval and Air Forces in Peace time*

For the first part of this programme statistical tables were prepared by the Permanent Advisory Commission which is composed entirely of experts and sent to the Governments of all States Members of the League. Twenty five Governments have replied and their statements form the basis of the Memorandum which describes the position as regards peace time armaments on January 1st 1923, giving the strength of land forces, their distribution and the material service in the units, the tonnage of the fleet, the naval personnel, the number and list of units with their displacements and dates of entry into service, the figures for depreciated tonnage, and the number of aeroplanes, dirigibles, captive balloons, with their personnel.

This Memorandum also contains a short account of the recruiting system in each country, drawn up by the League Secretariat according to instructions received from the Commission on the basis of official and public documents.

b) *National Defence Expenditure (1921-1923)*

This Memorandum is the sequel to one published last year on the same subject and submitted to the Assembly by the Temporary Mixed Commission.

As early as 1920 the Assembly recommended to Members of the League not to exceed during the course of the next two financial years the totals provided in their 1920 budgets for military, naval and air expenditure. In 1922, in order to appraise the results obtained by the Government in the reduction of defence expenditure, the Temporary Mixed Commission decided to collect in the form of statistical tables all data concerning expenditure incurred in the various countries for national defence before and after the war. The Third Assembly decided that this enquiry should be continued.

The Memorandum published in 1922, which dealt with the defence budgets of twenty one States, showed that in nearly all the countries the size of these budgets had decreased. The Memorandum which has just appeared, and which deals with seventeen countries, shows that, on the whole, the estimate for a reduction in the estimated defence expenditure for 1923-1924 is compared with the actual expenditure in the two preceding years. In many countries the military and

naval organisations have been considerably cut down, and this, of course, is reflected in the budget figures.

The data collected for this Memorandum cannot, however, serve as a basis for comparisons of the figures of one country with those of another. This is due to the variety of systems adopted in presenting the national defence budgets. Some countries charge military and naval expenditure partly to their civil budgets, some show pensions for officers under defence expenditure, while others have a special budget for this purpose. The systems in practice for dividing charges for colonial defence between the home and colonial budgets also differ widely, some countries include colonial defence in their home budgets, while others charge this expenditure to the colonial budgets, merely granting a subsidy from the home budget. It is necessary to take all these differences into account in order to avoid erroneous deductions, and in the present memorandum an attempt has been made to give detailed notes on the several accounting systems, the relations between home and colonial defence, etc., in order to establish the significance of the figures for each country.

An interesting feature of the Memorandum is the comparison made between the totals of defence expenditure in each country and the movement of the price level. By reducing the actual expenditure of to-day to pre-war price level, it is possible to get a fairly accurate picture of the development and tendency of defence expenditure in each individual country.

3 — THE DRAFT TREATY OF MUTUAL ASSISTANCE

In accordance with the decisions of the Assembly and the Council, the Secretary General has forwarded to the various Governments for their consideration the draft Treaty of Mutual Assistance drawn up by the Temporary Mixed Commission for the Reduction of Armaments and amended by the Assembly.

IV — General Questions

1 — APPOINTMENT OF A SPECIAL COMMISSION OF JURISTS TO CONSIDER CERTAIN QUESTIONS REGARDING THE INTERPRETATION OF THE COVENANT AND OTHER MATTERS OF INTERNATIONAL LAW

The Governments of Belgium, Brazil, Great Britain, France, Japan, Italy, Spain, Sweden and Uruguay have nominated jurists to sit on the Special Commission set up by the Council to consider certain questions regarding the interpretation of the Covenant and other points of international law formulated by the Council in connection with the Graeco-Italian dispute.

At its meeting on September 28th, the Council decided to refer these questions to a Special Commission of Jurists for an opinion as to the answers to be given. Each Member of the Council had the right to nominate within a period of fifteen days a jurist to sit on the Commission. The jurists thus nominated, together with the Director of the Legal Section of the Secretariat, form the Special Commission of Jurists.

The Commission, which will meet shortly and is to report to the December session of the Council, is composed as follows:

M. Adatci
Lord Buckmaster
M. Buero

Japan
Great Britain
Uruguay

M de Castello Branco Clark	Brazil
M Fromageot	France
Dr Van Hameel, Director of the Legal Section of the Secretariat	
M Rolandi Ricca	Italy
M Undén	Sweden
M Villa Urrutia	Spain
M de Vriescher	Belgium

2 — INTERNATIONAL AGREEMENTS

a) *Registration of Treaties and International Agreements*

During October, the number of conventions and international agreements of all kinds presented for registration and publication by the League, in accordance with Article XVIII of the Covenant, passed the total of five hundred.

New agreements registered in that month include an Exchange of Notes between Great Britain and Costa Rica relative to the drug traffic, the Protocol on the Settlement of Refugees in Greece signed at Geneva on September 29th, 1923, and Declarations on the subject by the British, French and Italian Governments, a convention concerning the diplomatic mail service between Peru and Venezuela, dated March 14th, 1923, presented for registration by Peru, and a convention on Customs Franchise for Goods Samples between Great Britain and Czechoslovakia, concluded at London on January 31st, 1923, and presented for registration by the Czechoslovak Minister at Bern.

b) *Amendments to the Covenant*

The Albanian Government has ratified the amendments to Articles IV (Election of Non Permanent Members of the Council) and VI (Allocation of Expenses) of the Covenant. Latvia has ratified the amendment to the first paragraph of Article VI.

c) *Ratification of International Conventions*

The International Convention for the Suppression of the Traffic in Women and Children and the Convention and Statute on the Freedom of Communications and Transit have been ratified by the Czechoslovak Government. The latter Convention has also been ratified by Latvia.

3 — ALLOCATION OF EXPENSES

The Committee on Allocation of Expenses met at Geneva from October 22nd to 24th, with M. Reaillaud (France) in the chair, the other members present being:

M Barbosa Carneiro	Brazil
Mr Rowe Dutton	Great Britain
M Soleri	Italy
M Nagata	Japan
M Jincovici	Roumania

The Committee, in accordance with the decision of the Fourth Assembly, took into account of the new financial contribution made available by the recent entry

of two additional States into the League, to aid the Members of the League for whom the existing allocation has been particularly heavy. Roumania's contribution was reduced by two units and the contributions of Greece, Portugal and Hungary by one unit each.

V — Technical Organisations

1 — ECONOMIC AND FINANCIAL ORGANISATION

a) The International Conference on Customs Formalities

The International Conference on Customs Formalities, held under the auspices of the League of Nations from October 15th to November 2nd, resulted in the framing of an International Convention. Fifty-two States Members of the League took part in this Conference, and its chairman was Lord Buxton, former Governor General of South Africa. Germany was also represented, while Egypt, Tunis, and the French Protectorate of Morocco sent delegates. The United States sent an observer and four experts. The International Chamber of Commerce sent an important delegation in an advisory capacity and the Council of the League put three members of the Economic Committee at the disposal of the Conference.

The Convention, which contains a preamble and thirty articles, may be summarised under the following heads:

(1) *The elimination of excessive, unnecessary or arbitrary Customs Formalities, and the equitable treatment of the commerce of all the Contracting States*

The Contracting States undertake to free their commercial relations from customs or similar formalities of an arbitrary, unnecessary or excessive nature. They undertake to revise by appropriate legislative or administrative measures the regulations affecting Customs or other similar formalities now in force in order to make them simpler and better adapted to the needs of international commerce and to avoid every obstacle to the free flow of trade that is not absolutely necessary to safeguard the essential interests of the State.

The Contracting States undertake to observe strictly the principle of equitable treatment in respect of custom or other similar regulations or procedure and agree to abstain from any unjust discrimination against the commerce of any Contracting State.

(2) Reduction of import and export prohibitions and restrictions

Import and export prohibition and restrictions are to be reduced to a minimum. If, in any State, special import and export licences are required, the conditions and formalities to be observed for this purpose should be brought immediately in the clearest and most definite form to the notice of the public.

The method of issuing these licences should be as simple and stable as possible. The examination of applications and the issue of licences to applicants should be carried out with the least possible delay and in such a way as to prevent the traffic in licences.

(3) *Obligation on the part of the Contracting States to publish their customs and other similar regulations as well as their tariffs, and to make these publications accessible to all whom they may concern, centralisation of these publications*

The Contracting States shall publish promptly all regulations relating to customs and similar formalities and all modifications therein in such a manner as

to enable persons concerned to become acquainted with them and avoid the prejudice which might result from the application of Customs formalities of which they are ignorant. The same obligation holds for customs tariffs and all other charges levied by customs authorities (supplementary charges, tax on consumption or circulation, charges for handling goods and so forth)

The Contracting States undertake to communicate to the diplomatic representative of the parties to the Convention or such other representatives residing in their territory as may be designated for the purpose publications concerning customs formalities and tariffs. Ten copies of all such publications are to be sent to the Secretariat of the League and to the International Office for the publication of Customs Tariffs at Brussels

(4) *Redress of unjust administrative decisions*

The Contracting States undertake to pass measures for preventing unjust or arbitrary application of their laws and regulations with regard to Customs and similar matters and to ensure redress by administrative, judicial or arbitral procedure for those who may have been prejudiced by such abuses

(5) *Technical facilities for international commerce*

The Convention contains technical provisions facilitating the passage across frontiers of samples or specimens as well as of objects intended for exhibitions, sent on trial or for display, catalogues and so forth. The Convention further provides for granting special facilities, identity cards, etc. to commercial travellers

A long article is devoted to "Certificates of Origin". By a series of technical provisions the Convention attempts to simplify and to make equitable the procedure and formalities for delivering and recognising such certificates. It requires the Contracting States "to reduce as far as possible the number of cases in which Certificates of Origin are required"

The Contracting States also undertake, so far as possible, to endeavour to conclude agreements under which certificates, stamps or marks given or affixed in the exporting country to guarantee the fulfilment of particular technical conditions as to the constitution, purity, quality, sanitary condition, district of production, etc., of goods will be accepted by the importing State without the goods being subjected to a second analysis or other test in the country of importation

(6) *Further attempts to simplify and to make more uniform and reasonable the formalities relating to clearance of goods through the customs, examination of travellers' luggage, the system of goods in bond, and warehousing charges*

In order to avoid congestion at frontier customs offices, and so to render more rapid the clearance of goods through the customs, the Convention declares it desirable that the practice of clearing goods at inland offices or warehouses should be encouraged wherever possible

The Contracting States shall consider the most appropriate methods of simplifying and making more reasonable, whether by means of individual or concerted action, the formalities relating to the rapid passage of goods through the Customs, the examination of travellers' luggage, the system of goods in bond and warehousing charges and so forth. The Convention makes a series of practical recommendations under these heads

(7) *The recording of the progress achieved*

In order to record what steps have been taken to simplify customs formalities in accordance with the provisions of the Convention, each Contracting State is to furnish the Secretary General of the League within a year of the coming into force of the Convention a summary of the measures that have been taken for put

ting it into effect. Similar summaries will subsequently be furnished every three years.

(8) *General Provisions*

The Convention is not to infringe in any way on the general or specific emergency measures that a Contracting State may be obliged to take as the result of some contingency gravely affecting its security or vital interests.

Obligations previously undertaken as regards Customs regulations are not abrogated by the coming into force of the Convention. The Contracting States undertake, however, in so far as circumstances make it possible, to modify their previous engagements in such a way as to bring them into conformity with the provisions of the present Convention. This Convention is "not to be interpreted as regulating in any way rights and obligations *inter se* of territories forming part or placed under the protection of the same sovereign State, whether or not these territories are individually Contracting States."

Should a dispute arise between two or more Contracting States as to the interpretation or application of the provisions of the present Convention, the parties to the dispute may, if they fail to settle the matter directly, submit the dispute with a view to an amicable settlement to such technical body as the Council of the League may appoint for the purpose. The Contracting States reserve the right, however, to resort to any judicial or arbitral procedure they may select, including reference to the Permanent Court of International Justice. Reference to the Court is obligatory only in certain cases where the Convention imposes perfectly plain and definite obligations (the publication of regulations concerning Customs formalities and the undertaking to ensure redress to persons prejudiced by arbitrary administrative decisions).

The Convention, the text of which is in French and English, will be open to the signature of all States represented at the Conference, to States Members of the League, and to every State to which the Council of the League may for the purpose communicate a copy of the Convention. Subject to ratification, it will come into force after having been ratified by five Powers.

Besides the Convention, the Conference drew up a series of recommendations for ensuring the widest and promptest publicity for information necessary to commerce. Thus, it asked that the information published by the Contracting States should be communicated to the International Chamber of Commerce as well as to the Executive Board of the Inter American High Commission. It recommended the publication of Customs regulations in condensed form and expressed a favourable opinion on the plan proposed by the International Chamber of Commerce for the diffusion of information on Customs regulations.

The Conference was held as the final stage in the work on Customs formalities begun in the year 1922 by the Economic Committee of the League in virtue of Paragraph 6 of Article XXIII of the Covenant which declares that the States Members of the League shall take the necessary steps for assuring equitable treatment of commerce as between the Members of the League. Considering that the question of Customs formalities was merely one aspect of the general problem of equitable treatment of commerce, and convinced that the necessity for re-establishing the economic balance that has been upset by the war would be felt by the States Members of the League, and would make them disposed to unite their efforts in attempting to reduce to a minimum the hindrances to the free flow of trade caused by excessive, unnecessary or arbitrary Customs formalities, the Economic Committee, with the help of Customs experts, framed the programme of an International Conference on this subject.

The heads of the programme were concerned solely with the problems of customs formalities. Questions of customs policy and tariffs were excluded. This exclusion was particularly stressed by the Council of the League in the invitation

it addressed to the Governments. The programme of the Economic Committee was communicated to all the Governments concerned well in advance of the date of the Conference in order to enable them to consult with their technical experts and commercial organisations as to the attitude they would adopt at the Conference and the results they desired to obtain.

The States taking part in the Conference, were: Australia, Austria, Belgium, Brazil, British Empire, Canada, Chile, China, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, India, Irish Free State, Italy, Japan, Kingdom of the Serbs, Croats and Slovenes, Lithuania, Luxembourg, Netherlands, Protectorate of Morocco, Poland, Portugal, Roumania, Siam, South Africa, Spain, Sweden, Switzerland, Tunis, Uruguay.

b) *The financial reconstruction of Austria*

The monthly reports of Dr. Zimmerman, Commissioner General of the League at Vienna for September and October may be summarised as follows:

The Austrian General Elections — The Austrian parliamentary elections took place on October 21st. The outgoing House (*Nationalrat*) was composed of 183 members, of which 85 were Christian Socialists, 21 Pan Germanists, 7 Agrarians, 1 Democrat and 60 Social Democrats. The new Parliament, whose first duty will be to elect the Cabinet, is composed of 82 Christian Socialists, 12 Pan Germanists, 4 Agrarians and 67 Socialists.

Railways Reforms — The autonomous status of the Austrian Federal Railways became effective on October 1st⁽¹⁾. Henceforth, all Austrian Railways, including the *Sudbahn*, will be run on strictly commercial principles.

With regard to the *Sudbahn*, the Rome Convention, concluded on March 29th by Austria, Hungary, Italy, the Kingdom of the Serbs, Croats and Slovenes, the *Sudbahn* Company and the shareholders, has been ratified by the Austrian Parliament. Negotiations will be resumed later by the Austrian and Italian Governments for the purpose of discussing the question of preferential tariffs for Italy, subject to certain conditions. The entry into force of this Convention is considered an important step towards the resumption of travelling and commercial relations, not only in Austria, but throughout Central Europe.

Administrative Reforms and Reduction of Civil Services — The reduction of the number of officials in September and October did not attain the figures established by the League Provisional Delegation⁽²⁾. According to the reconstruction plan the number of dismissals should have reached 50,000 by June 30th, and rise to 75,000 by December 31st. Up to now, only 48,527 officials (14,450 civil servants and 34,007 employees in State enterprises) have been dismissed.

This delay is due to the fact that thorough going administrative reforms in the State machine have not as yet been undertaken.

Budgetary Situation — The expenditure and revenue totals forecast in the amber budget were:

Expenditure	942.3 milliard paper crowns
Revenues	423.7 — —
Deficit	218.7 milliards paper crowns

⁽¹⁾ of the Monthly Summary, Vol. III No. 4, 5, 6, 7, 8 p. 46, 71, 95, 118, 141, 16
⁽²⁾ of the Monthly Summary, Vol. III No. 8 p. 16

The October figures were

Expenditure	652.5 milliards paper crowns
Revenues	464.2 — —
Deficit	188.3 milliards paper crowns

The July and August deficits had been noted respectively at 209.8 and 263.7 milliard. The average deficit of the first four months of the second half year was therefore 242.6 milliard, instead of 100 milliards as forecast by the League reconstruction plan (Expenditure 542, revenues 442). During the last two months of the year, considerable economies will, therefore, have to be effected.

The general situation, nevertheless, as shown by the accounts for April, May, June and July, is distinctly more satisfactory than the budgetary estimates gave grounds to hope. Under the League reconstruction scheme, the average deficit for the period January 1st to August 30th was fixed at 330 milliards whereas the real deficit amounted to 15 milliards in April, 123 milliards in May, 119 milliards in June and 80 milliards in July. This is due to a notable and constant increase of the State revenues. The Austrian Government, however, has not so far taken account of this factor in establishing its budgetary estimates.

Yield of Loan Securities — The yield from the customs and the Tobacco Monopoly was 242 milliards (Tobacco Monopoly 162, customs 80) in August and 248 milliards (Tobacco Monopoly 156, customs 92) in September. The average revenues from the customs are three times more than is necessary to ensure the monthly service of the loan.

General Situation — The Autumn Fair, which was held at Vienna from September 2nd to 8th, was extremely successful, showing a notable increase in Austrian commerce. Twelve countries exhibited, and 50,000 entries were recorded, 25,000 of which were delivered to foreigners from sixty different countries. The average number of orders was nine per exhibitor.

Tourists were more numerous in August and September than in preceding months (45,000 as compared with 30,000).

The number of unemployed has continued decrease from 83,893 at the end of August to 80,131 at the end of September.

Foreign trade is increasing. The Austrian exports rose from 77 million gold crowns in July to 97 millions in August as against 135 million gold crowns' worth of imports. The monthly export figures for the second half year are 73 million gold crowns compared with 60 millions during the first six months.

The savings banks deposits have increased from 2,100,000 gold crowns in September 1922 to 3,400,000 in September 1923.

The cost of living has increased slightly, the index figure, which, in September, was 3 % higher than in August, rose anew in October. The present figures are, however, 4 % lower than those of September 1922.

The most recent weekly reports of the National Bank show an active financial balance as compared with passive commercial returns. The increase of the metallic reserve in the course of the last few weeks is very much in advance of the total of foreign currencies sold by the State from the product of the loan.

The rise in the rate of interest on the Vienna money market has become a matter of concern to the Austrian public, and the Commissioner General is of opinion that, in order to cope with the situation, the National Bank should undertake to control the money market on the same lines as the exchange market.

c) The financial reconstruction of Hungary

At the beginning of 1923, Hungary, in a desire to raise foreign loans on the security of certain of her revenues, had approached the Reparation Commission

in order to secure the necessary release of liens on certain of her assets and revenues, and had at the same time expressed the desire that the League of Nations be asked to draw up a plan of financial reconstruction.

On September 20th, Roumania, the Kingdom of the Serbs, Croats and Slovenes and Czechoslovakia requested the Council of the League to authorise the Financial and Economic Committee to undertake at once without further authorisation any preparatory work necessary for the reconstruction of Hungary in the event of the Reparation Commission addressing a request to the League along these lines.

The Reparation Commission, at its meeting on October 17th, passed the following Resolution:

"The Reparation Commission being ready in principle to contemplate at a later stage the raising of the charge on certain assets and revenues of Hungary in order to allow the financial reconstruction of Hungary with the collaboration of the League of Nations, invites the League to draw up a plan with this object in agreement with the countries concerned and appoints Monsieur Bouniols as representative of the Finance Service of the Reparation Commission to collaborate with the Secretariat of the League when the latter proceeds with the preparatory work. The plan would include a supervision by the League of Nations with which the States holding claims against Hungary would be associated, by means of a committee the members of which be appointed by the Reparation Commission. It is understood that after this plan has been transmitted by the League of Nations it will be examined by the Reparation Commission with a view to taking the necessary decisions. It is further understood that although it is contemplated that the first loan may be given a priority over reparations, the arrangement should not exclude the possibility that the proceeds of a later loan may be devoted wholly or partially to reparations."

Members of the Secretariat of the League, together with M. Bouniols of the Reparation Commission are leaving and early in November for Budapest for a preliminary investigation. The Financial Committee has at the same time been convened for November 20th, in order to prepare a report for the meeting of the Council in December, when the Members of the Financial Committee will also be present. In accordance with the resolutions at the previous Council session, any discussion of the financial reconstruction of Hungary by the Council will be taken up by unanimous vote, including Roumania, the Kingdom of the Serbs, Croats and Slovenes, Czechoslovakia and Hungary.

d) The Second Session of the Committee of Government Experts on double taxation and fiscal evasion

The Committee of Government experts who, at the request of the League, are studying the practical and administrative problems raised by the question of double taxation and fiscal evasion met for the second time at Geneva from October 8th to 13th. The members present were MM P. d'Aroma (Italy), Baudouin Bugnet (France), Clavier (Belgium), Valnacek (Czechoslovakia), Sinnighe Damste (Netherlands), Blau (Switzerland), Sir Percy Thompson (Great Britain).

At its former session in June, the Committee had made some preliminary investigations with the object of laying down certain broad principles.

At the second session in October the experts studied the question of "fiscal domicile", continued their consideration of a recommendation concerning schedular taxes (*impôts cédulaires*) and reached preliminary conclusions on the question of

fiscal evasion. They will proceed with these studies at their third session in March, 1924, when it is hoped to reach an agreement on certain common principles, as desired by the Fourth Assembly.

Fiscal Domicile — It is often the case where taxation is concerned that fiscal legislation provides for certain taxes to be levied at the domicile of the tax payer. The same holds good for double taxation. But if a Convention stipulates that the right of levying the tax belong to the State in which a shareholder is domiciled, it is necessary to establish the exact meaning of the words "domicile", "residence", and "habitation" any one of which may occur in the text of the Convention concerned. These words have different legal meanings in different countries.

The experts were therefore obliged to try to find some practical definition for the term "fiscal domicile". They arrived at the conclusion that a single universal solution was impossible and prepared several definitions, some of which apply to income tax and others to rights of inheritance. They recognised that fiscal domicile cannot be the same for a periodic tax which varies every year with variations in the income of the tax payer and for a single levy on the total wealth of a tax payer at the moment when all his possessions have changed hands.

Schedular taxes — The experts continued their investigation of the various sources of wealth considered from the point of view of schedular or impersonal taxes. They decided that the interest on productive claims (*créances*) other than mortgages and movable property and the income from life annuities ought to be fixed by the State in which the person enjoying the revenues concerned is domiciled.

Regarding interest on deposits, on current accounts and in particular on public funds, stocks and bonds, it is more difficult to find a solution. Who should have the right to tax movable property — the State where the owner of the property is domiciled or the State in which the society, corporation or company issuing the shares concerned is domiciled? The Committee of Economists (M. Bruns, Einaudi, Seligman and Sir Josiah Stamp), whose report dealt with the problem theoretically, took the view that the former, or creditor State, should levy the tax, whereas the authors of the Rome Convention, concluded between the Austrian Succession States, had taken the view that the latter, or debtor State, should have the right of taxation.

The Government experts have not yet drawn up their conclusions in final form. They have, however, shown their preference for a system similar to that established by the Rome Convention, which pronounced in favour of the State from which the shares were issued, that is, the State in which the revenues derived from the shares originated. But, at the same time, they suggest providing for numerous exceptions, to be covered by special bilateral conventions. For the application of these conventions they suggest an extension of the affidavit system.

Fiscal Evasion — As regards fiscal evasion, the experts unanimously recognised the necessity of adopting measures based on international agreements and framed with the object of making clear what is taxable (from the point of view of double taxation) and of combatting frauds to prevent the collection of taxes. They expressed the wish that the administrations of the countries concerned should undertake to furnish each other with the information necessary to assess taxes on movable property, on mortgages, industrial and commercial enterprises, and on earned income (salaries, allowances, etc.).

This examination of the various sources of wealth from the point of view of fiscal evasion is to be continued.

c) European finance

A review of the financial position of fourteen countries mostly European, and a special article on German reparation obligations and reparation payments,

prepared from statements published by the Reparations Commission, are contained in a memorandum just issued by the League. This memorandum is the third of a series prepared in accordance with a desire expressed by the Brussels Financial Conference in 1920. A more complete volume, containing review on a number of additional countries, together with a general introduction, will be published before the end of the year. It was considered important to present without delay the information already collected in view of the questions engaging the attention of the world at the present time.

An attempt has been made to set out the same kind of information for different countries. Every student of public finance is well aware of the great differences obtaining between the various budget systems. But, outside this restricted circle of specialists, the majority of people find it difficult to understand the connection between the three, four, or five different national budgets. Such a term as "the Extraordinary Budget", for instance has not at all the same significance everywhere.

In order to facilitate an understanding of the financial position, each review in this present volume has been prefaced by notes on the budget system, in which the peculiarities of each national system are explained as briefly as possible. No work of this kind, explaining the accounting peculiarities in the budgets after the war, has so far been published.

The review for each country gives a summary of the budget accounts during the last four years, an analysis of revenue and expenditure, gross receipts and working expenses of local monopolies, public domains and public undertakings, together with notes on the most important changes in the last two years and the way in which any budget deficit has been covered or any surplus available has been employed. An attempt has been made to arrive at the totals for receipts and expenditure in order to show the amounts borrowed and the purposes for which they have been borrowed. It will be seen that in most countries a retrenchment policy has been adopted and considerable savings have been effected, although the ever increasing burden of the Public Debt has in many cases swallowed up what may have been saved by cutting down the administration. The development of the Public Debt has been compared with the changes in the price level, i. e., the nominal amount of the debt has been divided by the wholesale price index number, and in this way reduced to pre-war price level.

Special care has been taken to present full information regarding foreign debts and claims on foreign governments. The debt is shown both in the currency in which it is payable and in domestic currency, the rates of conversion being indicated in each case. The Act passed by the United States Congress for funding the British Debt has been quoted, and other important statements of international indebtedness have also been set out.

Whenever possible the value of assets owned by the State has been shown. Even if it is always, in the last resort, the taxable capacity of the community which is responsible for the Public Debt, it may nevertheless be of importance to note whether a State is the owner of productive assets, such as forests, railways, etc., the yield of which may be earmarked for the Debt service.

2 — THE HEALTH ORGANISATION

a) *Interchanges of Health Personnel*

The Third Collective Interchange — The third collective interchange of health personnel held under the auspices of the League Health Organisation began at Washington on September 10th at the invitation of the United States Public Health Service, the participants being received by the Assistant Secretary of the Treasury.

and the heads of the Public Health Service. The latter described the various branches of their work, after which the party was taken over some of the leading hospitals and health institutes at Washington. Thereafter the officials were divided up into small groups for periods of practical observation and service with the sanitary administrations of the various States. These groups first visited three southern states, Virginia, North Carolina and Alabama, were, after a period of observing State health control in the various state capitals, they were sent out to the counties on rural activities. Afterward, it is proposed that three northern States, and if time allows, three western States as well, should be visited.

At the end of the interchange, the medical officers will reassemble at Washington for a further series of lectures, after which those from Europe will go to Geneva to study the work of the League Health Organisation on the spot. There are twenty-four medical officers from eighteen countries taking part in this interchange, namely, one each from Brazil, Canada, Germany, Greece, Holland, Mexico, Norway, Poland, San Salvador, the Serb-Croat-Slovene State, Spain, and Switzerland, two each from Belgium, Chili, France, Great Britain, and Italy, and three from Soviet Russia.

Future Interchanges — For 1924 the Health Organisation has planned four collective interchanges, one to take place in Great Britain, a second in the Netherlands and Denmark, a third in Switzerland, and a fourth to be organised particularly for the countries of the Far East. Two interchanges for specialists in tuberculosis or school hygiene have also been decided upon, and a system of individual fellowships organised. Profiting by the experience of the first three interchanges, it has been decided that in future a detailed program of the interchange will be communicated to the health administrations concerned from four to six months in advance, accompanied as far as possible by the documents to be studied during the interchange. Health administrations will also be asked to make their nominations for the interchange four to six months in advance in order to allow of direct communication with the officials chosen so as to give each of them a clear idea of the scope and nature of the interchange. It was recognised that a group taking part in a period of practical service should not consist of more than two or three officers. Moreover, in order to obtain the maximum benefit from the interchanges it was recognised that the period should be extended to about three months and that each interchange should, except in special cases, be confined to one country.

b) *Conferences of Vital Statisticians*

The first group conference on interchange of vital statisticians began at Geneva on October 1st. The program, which is necessarily experimental and tentative, consists first of about six weeks of conferences and joint investigations at Geneva in which a general survey of the statistical organisation and procedure of a number of countries will be made, special points in vital statistics studied, and the work of the Health Section and particularly its service of Epidemiological Intelligence and Public Health Statistics explained. After this comes a three or four weeks' period of observation, beginning about November 15th, during which the participants will proceed to England, Holland and Switzerland, to observe at first hand certain aspects of the procedure and organisation for statistical and epidemiological intelligence of these countries. Finally, there will be a concluding conference of ten days at Geneva.

The funds for this work are provided by the International Health Board of the Rockefeller Foundation, which recently made a further grant of 10,500 dollars for the last six months of 1923, and 21,000 dollars for the year 1924 to be used in enlisting the cooperation of health statisticians. It is hoped to "follow up" the work of gathering, collating and analysing national health statistics undertaken by the Health Organisation, by bringing the men who are actually collecting the

health statistics in their respective countries into closer relations with each other and with the Health Section of the League Secretariat particularly its Service of Epidemiological Intelligence and Public Health Statistics. This in turn makes it possible to study various important differences between countries with respect to vital statistics and epidemiological records, with the ultimate aim of securing a greater degree of uniformity in such matters.

To attain these objects

(1) A series of 'interchanges' or group conferences are being instituted at Geneva (possibly later at one or two other convenient points) in which vital statisticians and epidemiologists occupying administrative positions in their respective governments participate for periods of two to three months.

(2) A series of conferences with medical statisticians are being held, particularly in connection with certain phases of the work of the Service of Epidemiological Intelligence and Public Health Statistics and on the study of specific statistical procedures in which uniformity and comparability are most important.

(3) The opportunity is provided for a limited number of officers — to be selected by the various governments from their public health services — to study the application of statistical methods and practices at selected institutions and Public Record Offices.

5. *The Committee on Intellectual Cooperation* *Results of its Investigation of the Conditions of Intellectual Life*

The Committee on Intellectual Cooperation has published a number of pamphlets recording the results of its investigation of the conditions of intellectual life in various countries.

This investigation was decided upon by the Committee at its first session. Many reports had been received on the disastrous financial situation of intellectual workers and artists. Moreover, the coming generation was said to be abandoning intellectual careers and the universities and laboratories of countries with a depreciated currency to be unable to secure the necessary scientific instruments and documents.

The reports also mentioned that various efforts were being made to cope with the situation, generally in the form of scholarships and grants for the encouragement of intellectual work, the organisation of intellectual workers and the constitution of committees of mutual assistance.

The Committee realised that the only reliable basis for future action was a thorough investigation of the crisis and its possible remedies. The problem was far-reaching and the means at the Committee's disposal very limited.

Accordingly, the Council and the Assembly having authorised the sending of questionnaires to Governments, universities, academies, federations of intellectual workers, etc., the Committee examined the answers, completing its information by special inquiries, and drew up reports on many phases of the problem. These reports have been embodied in the two series of pamphlets which the Committee is now publishing, and which, taken as a whole, afford a general survey of intellectual life a survey which is necessarily incomplete, but yet sufficient to outline the main aspects of the crisis and the eventual means of coping with the situation.

Each pamphlet begins with the following introductory note:

'The sole object of the Committee on Intellectual Cooperation in publishing these reports is to emphasise, in connection with each of the subjects dealt with, the problems of organisation and international relief entailed. It is not the claim of the Committee to deal exhaustively with these subjects, but to bring them before the reader for his consideration, and to invite new suggestions.'

The pamphlets, eleven of which have already appeared, comprise two series: a) General Questions, and b) Intellectual Life in Various countries. The former

consists of reports on the situation of certain categories of intellectual workers irrespective of nationality, the latter deals with problems of intellectual life in certain selected countries

VI — Administrative Questions

FIFTEENTH PERIODICAL REPORT OF THE SAAR GOVERNING COMMISSION

The Saar Governing Commission, transmitted in October its fifteenth report, covering the period June 16th to September 30th, 1923. In this report special mention is made of the fact

Mr Waugh is Member of the Governing Commission, that Major G. W. Stephens who appointed by the Council in September to succeed, is expected at Saarbrück towards the end of October

Economic and Social Situation — The Saar Territory, which suffered considerably from the miners' strike, is recovering gradually. There is an increase in the gross yield of the mines, the figures for July exceeding those for January the highest since the Peace Treaty

The number of unemployed has decreased to pre-strike figures (2,792 in January, 1923). These returns are encouraging, sight, however, should not be lost of the fact that the industrial enterprises of the Territory have suffered considerable damage as a result of the strike, and that the Territory as a whole has not yet regained its prosperity. The situation has been aggravated by continual difficulties of transport in the direction of the east, by the scarcity of certain raw materials and products and by the rise in the cost of living, which began in August

The French franc has, since June 1st, been the only legal currency in the Saar. The report emphasises that the extraordinary depreciation of the German mark since that date is a proof that it was high time to undertake the currency reform, adding that it would as yet be premature to pronounce upon the results of the measure, as the fiscal laws which are to complete it have not yet become effective. The Governing Commission has endeavoured to prevent any such exploitation of the currency reform as would bring about a general rise in prices. This effort succeeded in July, but, notwithstanding the fact that a sudden and sharp increase in the cost of living took place, the main causes of which would appear to be the rarity of credits—one of the consequences of the strike—difficulties in obtaining supplies, the enormous rise of prices in Germany and in the ever widening use of the gold unit for the establishment of prices. The prices however, are at present lower in the Saar Territory than in Germany and especially than in the adjoining occupied territories. It has even been necessary to examine the possibility of planning measures for the protection of the Saar consumer against the purchases made in the Saar Territory by the inhabitants of the adjoining regions

The increase in the cost of living brought about a rise in the wages of most of the trades. The administrative board of the French State Mines, as a result of negotiations with the miners, granted an increase of a franc a day as from August 1st, and 1.50 franc from September 1st. Similar measures have been taken by the Governing Commission as regards the workmen in State enterprises, a rise of 20 % being granted to those in the smelting works.

The present lack of stability in prices having given rise to a certain agitation in labour circles, the Governing Commission has adopted measures, which will be put into force in October

It may, therefore, be concluded, that the economic and social situation of the

Territory, although satisfactory from some points of view, as a matter of some anxiety in others.

Political Situation — The Governing Commission after consulting the representatives of the the population subjected to further examination on June 18th the Provisional Decree for the Maintenance of Order and Public Security of March 7th

The report recalls that the Commission repealed the Provisional Decree of March 7th and published on June 18th another decree on the same subject. As a step towards conciliation it promulgated on June 27th a decree of amnesty in favour of the perpetrators of offences during the strike and of political offenders under the decree of March 7th.

The term of office of the members of the municipalities and district councils of the Territory expired on August 1st, 1923. The Governing Commission fixed the date of the elections for July 8th. The elections took place without incident the main result being first, a decrease of the votes in favour of political extremists, secondly, a tendency in labour circles to replace former leaders by delegates chosen from among the workers and thirdly, the appearance of independent syndicates to defend the interests of the Territory against the political parties.

Negotiations with Foreign Governments — Three conventions concluded with foreign Governments have been put into force: a) the Protocol of Frankfurt concluded with the German Government relating to insurance questions, maternity grants and mixed jurisdiction; b) a convention concluded with the French Government concerning double taxation by the French and Saar Governments; and c) a convention with the French Government to settle the financial arrangements in connection with the erection of custom houses on the frontier between the Saar Territory and Germany.

Administrative Questions. Local Gendarmerie — The increase of the local gendarmerie force has been continued in accordance with the programme for the current financial year: a hundred new recruits having been admitted to and trained in the gendarmerie school since April 1st.

Results of Census of April 6th 1922 — The Statistical Bureau founded by the Saar Governing Commission has published the results of the census of April 6th 1922.

The Saar population at that date numbered 713,105 representing a density of 264 to the square kilometre. The surface of the Territory is 183,069 square kilometres, of which 70,427 hectares are arable land, 50,022 hectares, forests, 3,858 hectares pasture land, 4,278 hectares gardens, 50,507 hectares fields, and 15,000 hectares towns, villages and industrial premises. There are 5,695 agricultural enterprises in the Territory, of which 73 are market gardens with a surface of 46,800 hectares. Besides the agricultural enterprises, a certain amount of land is cultivated by workmen.

Finance and Supplies — The budget of the Territory for the financial year April 1st, 1923 to March 31st, 1924 has been submitted to the Governing Commission. It has only been possible to balance the budget by transferring to the item general financial administration the surplus left over from the financial year 1920/1921 amounting to 45 million francs. Otherwise, the deficit would be important: a fact largely due to the miners' strike which has been extremely prejudicial to the financial interests of the Territory. The expenditure for 1923/1924 is

Fr. 141,003,053	ordinary expenditure
Fr. 13,459,700	extraordinary expenditure
Fr. 154,462,753	Total

As regards the question of supplies, the Governing Commission, on a report by the Supplies Department, decided to re-establish by decrees from August 16th, 1923, the freedom of commerce with regard to the bread supply for the Saar population. The period of decontrol was surmounted without difficulty.

To conclude, the report confirms that the principal features of the period in question were the gradual resumption of the mining production after a long interval of strike, the first effects of the financial restoration as a result of the currency reform, and, unfortunately, an increase in the cost of living. It is to be hoped that it will be possible to cope with the latter named factor and, despite the precarious financial situation, to balance the budget. Thus, should no further disturbance arise, the Saar Territory will be able to resume its upward economic progress which has been wrecked by the strike.

VII — Political Questions

TERritORY OF MEMEL

The Powers represented on the Conference of Ambassadors namely, Great Britain, France, Italy, and Japan, by a decision taken on September 25th, have brought to the attention of the Council of the League the situation which has developed at Memel.

The territory, formerly German, occupying the Baltic sea board of Lithuania was entrusted by the Treaty of Versailles to the Principal Allied and Associated Powers for final disposition as to its sovereignty. Since the Peace Conference the territory had been administered by an Allied Representative until January 1923 when a *coup de force* took place. The following month, the Conference of Ambassadors announced the general terms upon which it was prepared to hand over to Lithuania the rights which the Principal Allied and Associated Powers hold in the Memel territory under the Treaty of Versailles. Lithuania having accepted these principles, the Conference of Ambassadors worked out a detailed Convention to carry them into effect. Lithuania did not see her way to accepting certain clauses of this Convention and proposed in their place certain alternative clauses.

The negotiations, therefore, having failed to bring about an agreement, the Powers represented on the Conference of Ambassadors referred the matter to the League under Article XI, paragraph 2, of the Covenant, which declares it to be the friendly right of each Member of the League "to bring to the attention of the Council any circumstances whatever affecting international relations which threaten to disturb international Peace or the good understanding between nations upon which peace depends".

The question has been placed on the agenda of the forthcoming session of the Council in December.

VIII — Social and Humanitarian Questions

1 — REFUGEES

a) *Greek Refugees Settlement Scheme* — Definite progress in the execution of the Greek Refugees Settlement Scheme adopted by the Council in September was made during the month.

A first advance of one million pounds was promised by the Bank of England subject to the fulfilment by the interested parties, especially Greece, of the condi-

tions laid down by the Council of the League. With the establishment of the Refugee Settlement Commission, these conditions have been fulfilled, and the sum in question will shortly be placed at the disposal of the Greek National Bank.

The autonomous organisation founded by the Council for the purpose of establishing the refugees in Greece and procuring them productive work will enter upon its duties very shortly. The Chairman of the Greek Refugee Settlement Commission, Mr. Henry Morgenthau, and Colonel Campbell, who will represent the League on the Commission, will leave Geneva for Athens in the first days of November to join their Greek colleagues, M. Delta and M. Argyropoulos.

b) *Russian Refugees* — The difficulties confronting the High Commissioner of the League at Constantinople in connection with the evacuation of the Russian refugees in that city are stated in a report received this month to have increased as a result of the evacuation of Constantinople by the Allied forces. Some 7,000 refugees are still left in Constantinople, and the High Commissioner's organisation has to fulfill various formalities relating to their departure, its main task consisting at present in arrangements for the evacuation of convoys and individuals, a large proportion of whom are able to pay the greater part of their fares. Others are granted loans to be repaid during the first year of their settlement in organised working conditions.

The maintenance of the High Commissioner's organisation has been facilitated by the realisation of certain sums from the British Army as a result of the successful evacuation of its refugees. A close liaison has been arranged with the French consul, and, by this means, very satisfactory results have been obtained in the evacuation of Russian refugees to France. During the period August 1st—October 2nd, 1,451 refugees were sent from Constantinople to France.

The general evacuation figures for August and September are shown in the following table.

Destination	August	September
Belgium	7	—
Bulgaria	101	—
Canada	40	72
Egypt	1	—
France	474	977
Germany	5	—
Great Britain	3	—
Portugal	—	16
Russia	160	72
Serbia	48	190
Syria	—	7
United States	374	417
	1 215	1 754

2 — TRAFFIC IN WOMEN AND CHILDREN

Miss Grace Abbott, appointed to represent the United States in an advisory capacity at the second session of the Advisory Committee on Traffic in Women and Children, informed the Secretary General on October 5, that the Bureau of Social Hygiene Inc., will contribute whatever may be necessary up to 75,000 dollars towards the cost of the investigation to be made, in accordance with the recommendation of the Advisory Committee, into the conditions in which the traffic in women and children is carried on. Miss Abbott stated that the Bureau had long been interested in this proposed study, which it believes essential to any solution of the problem.

The Secretary General, on the authorisation of the acting President of the Council, accepted this gift in the name of the League. He also informed

Miss Abbott that the facts of the offer and its acceptance would be communicated immediately to all States Members of the League and to the Members of the Advisory Committee, and requested Miss Abbott to convey to the Bureau of Social Hygiene, in the name of the League, his sincere thanks for its most generous and public-spirited offer.

The investigation in question was first suggested by Mrs Abbott, who expressed the view that the special funds required for its carrying out might be provided by private American organisations interested in the work. The Advisory Committee, the Council and the Assembly all approved the investigation subject to the necessary budgetary arrangements being made. The Council also appointed the experts required for the study, expressing the hope that of these experts, Dr Abram Flexner of New York might serve as Chairman. Dr Flexner having accepted and the funds having been provided, the experts will meet early in 1924.

3 — TRAFFIC IN OPIUM

The Secretary General has informed all States concerned of the decisions recently taken by the Assembly and the Council concerning the two international conferences to be held next year to discuss measures for the fuller application of the Hague Opium Convention of 1912. This information has been sent with a view to enabling the Governments to make such preliminary arrangements as they may deem advisable to obtain the data to be placed at the disposal of the Conferences. Countries that have not yet sent in their annual Opium Reports for 1922, or that have not yet furnished statistics of their estimated annual requirements of drugs for internal consumption, have been urged to do so as soon as possible so that the fullest possible information may be available.

The Council, while reserving the final settlement of the dates of the Conferences until its December session, has decided, provisionally, that the first composed of States holding territory in the Far East where opium smoking still obtains, should take place at Geneva in July, 1924, and that the second, for the limitation of the manufacture of morphine, heroin, cocaine, etc., and of the production for export of the necessary opium and coca leaves, should be held immediately after. The question as to whether this latter Conference should include all countries which are members of the League or Parties to the Convention will also be decided at the December meeting of the Council.

The summoning of the two Conferences is the outcome of the deliberations held by the Opium Advisory Committee of the League since its initiation in 1921, and of the proposals made by the Joint-Six's Delegation which came to Geneva in the course of the year to discuss more effective means for the control of the traffic in dangerous drugs.

IX — Forthcoming Events

November 15th	Second General Conference on Communications and Transit, Geneva
November 20th	Fifteenth session of the Financial Committee, London
November 26th (about)	Meeting of the Special Commission of Jurists
December 10th	Thirteenth session of the Financial Committee, Geneva
December 10th	Twenty-seventh session of the Council of the League, Geneva
January 21st	Meeting of Naval Experts, Geneva
January (end)	Meeting of the Allocation Committee, Geneva
March 24th	Third session of the Committee of Government Experts on Double Taxation

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(*Official Journal Special Supplement No. IX*)

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MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

NOVEMBER 1923

Vol III No. 13

December 15th 1923

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I — Summary of the Month

An extraordinary session of the Permanent Court of International Justice on a question connected with the delimitation of part of the Polish-Czechoslovak frontier, the opening of the Second General Conference on Communications and Transit, and the framing by the Financial Committee of a preliminary plan for the financial reconstruction of Hungary were the most important activities of the League of Nations in November.

The Permanent Court met in extraordinary session on November 13th to consider a question relating to the Polish-Czechoslovak frontier on which its advisory opinion had been requested by the Council of the League. The representatives of the Parties were heard on November 13th and 14th.

On November 15th the Second General Conference on Communications and Transit held its opening meeting. Senator Cinti (Italy) presiding. Four draft conventions on rails, airports and hydro electric power are being considered by the Conference. Forty-two Governments including Germany and Turkey, and various international organisations, are taking part in its work. The United States have appointed an observer. A Committee of Wireless Experts also held a short meeting at Geneva from November 14th to 15th, when the question of an international conference on the subject was considered.

The Financial Committee met from November 20th to 28th in London for the purpose of considering plans for the financial reconstruction of Hungary. The Danzig currency reform, the scheme of which has been agreed out by the Financial Committee, was put into force at the beginning of the month. The international Conference on Customs Formalities which opened on October 15th came to an end on November 2nd. Twenty-one States signed the Protocol of the Convention, the Final Act being signed by thirty-three. A conference of experts has been convoked for May 1924 when a draft convention for the suppression of certain forms of unfair competition will be discussed. The Greek Refugees Settlement Commission has taken up its duties.

Important communications concerning the compulsory exchange of Greek and Turkish populations provided for by the Lausanne Convention of January 30th 1923, were received by the Secretary General from the Turkish and Greek Governments and from the President of the Mixed Commission.

The Committee on Intellectual Co-operation met at Paris on November 28th. The special Committee of Jurists appointed by the Governments represented on the Council to consider certain questions regarding the interpretation of the Covenant will meet on January 18th.

Towards the end of October, the Secretary General, paid official visits to Bucarest, Budapest and Rome.

II — The Permanent Court of International Justice

1 — THE JAWORZYNA QUESTION

The Permanent Court of International Justice met in extraordinary session at the Hague on November 13th for the purpose of delivering at the request of the Council an advisory opinion on a question relating to the delimitation of the frontier between Poland and Czechoslovakia in the district of Spisz. This question, commonly known as the Jaworzyna question originated as follows.

The Principal Allied and Associated Powers had decided to form certain plebiscite zones in the frontier region between Poland and Czechoslovakia in order to secure that the sovereignty under which these zones were ultimately placed was in accordance with the wishes of the inhabitants. As certain political difficulties were encountered in the preparation for the plebiscite the Polish and Czechoslovak delegates agreed to entrust the Supreme Council of the Allies with the final settlement of the frontier. The Supreme Council delegated its powers to the Conference of Ambassadors which marked out the frontier without any objection being raised except as regards the Jaworzyna zone. With regard to this district the Conference took certain decisions and steps as to the effects of which the Governments of Prussia and Warsaw were not in agreement.

The Conference therefore requested the Council of the League to recommend

a solution with regard to the frontier between Poland and Czechoslovakia in the region of Jaworzena. The Council having decided to ask the Permanent Court for an advisory opinion on certain legal aspects of the subject, an extraordinary session of the latter body was summoned to meet on November 13th.

The Polish Government appointed M. Jean Mrozowski, President of the Polish Supreme Court, to present its point of view, assisted by M. J. Bloiswicki, legal adviser to the Polish Legation in Paris and member of the International Institute of International Law. The Czechoslovak Government appointed Dr. Jan Kerner, Professor at Prague University, assisted by Dr. Krno, Councillor of Legation to present its case.

a) *The Polish Case*. — At the public meeting of November 13th, M. Mrozowski explained to the Court the Polish point of view on the Jaworzyna question, namely, that the question of the exact frontier line between Poland and Czechoslovakia in the territory of Spisz, is still open.

M. Mrozowski gave a detailed analysis of the various steps taken by the Conference of Ambassadors in the matter, and arrived at the following conclusion.

By a decision of the 26th July, 1920, the Conference had defined the frontier in one of the three sectors of the Spisz district. This decision *inter alia* appoints a Delimitation Commission, having powers to propose modifications in the frontier line described by the decision. By a later resolution of December 2nd, 1921, the Conference had given instructions to the Commission in certain conditions to mark out on the ground the frontier line defined by the decision of the 26th July. The resolution of December 2nd was not preceded by any proposals for modifications emanating from the Delimitation Commission as such. On the contrary, after that date the Commission, with reference to the resolution in question, proposed certain modifications. Upon this proposal the Conference of Ambassadors had taken no Resolution. This proved besides several other reasons of secondary importance, that the question of the frontier in the Spisz district was still to be considered as open.

M. Mrozowski further observed that if the decision of the 2nd December was considered as a final settlement of this frontier question, it would be null and void, since it had not been taken in conformity with the regulations laid down for the purpose. Lastly, if the frontier in the Spisz district was considered as settled by that resolution, the question of the frontier between Poland and Czechoslovakia in the districts of Teschen and of Orava would be reopened, since Poland had consented to the actual line of frontier in these districts only on condition that its proposals for the modification of the frontier line in the Spisz district described by the Conference of Ambassadors on 26th July would be favourably considered.

b) *The Czechoslovak Case*. — On November 14th, the representative of Czechoslovakia, Dr. Kerner, after pronouncing some words of a general character, asked permission for his assistant, Dr. Krno, to explain the point of view of his Government on the Jaworzyna question.

M. Krno first of all stated that the laying down of the frontier line in the Spisz district implied the establishment of a line dividing the area, so as to define the territories in which Poland and Czechoslovakia respectively could exercise their sovereign rights. This being so, the definition of this frontier line at the same time determined the other boundaries of the area in question.

M. Krno further explained that all concerned had, up to a given moment, shared the opinion that the frontiers in the Spisz area had been thus fixed by the combined effect of the decisions taken by the Conference of Ambassadors on July 26th 1920, and on December 2nd 1921. Later on however, the Conference of Ambassadors appeared to have changed their mind, and gave an interpretation of their decision of December 2nd, to the effect that certain boundaries of the Spisz territory still remained open. This interpretation was based mainly on an alleged

fault of form, namely, that the decision had not been based on proposals of the Delimitation Commission and had therefore not been in conformity with the rules laid down for the purpose.

Mr Krno, however, expressed the view that such proposals had, in effect, preceded the decision in question, which therefore was wholly valid. For this and other subsidiary reasons, he concluded in favour of the thesis of the Czechoslovak Government, which, as will be remembered, was to the effect that the question of the frontiers in the Spisz region had been settled once and for all by the decisions above referred to.

M Mrzowski then spoke in order to reply to Mr Krno's statement. Besides contesting the accuracy of certain statements made by Mr Krno, and certain conclusions drawn by him, M Mrzowski was of opinion that the method employed by Mr Krno was defective and that therefore the results arrived at could not be correct.

Mr Krno then was allowed to draw attention to certain inadvertencies in point of fact which had occurred in M. Mrzowski's reply.

There upon the President, after thanking the representatives of the two parties for the information supplied, requested them to remain at the disposal of the Court for a few days in the event of the Court finding that it would be in need of supplementary information.

2. — APPOINTMENT OF LEGAL ADVISERS TO THE TURKISH GOVERNMENT

On July 24th, 1923, date of the signature of the Treaty of Peace with Turkey, a certain number of declarations were signed at Lausanne, one of which concerned the appointment of legal advisers to the Turkish Government.

In the first paragraph of this declaration, the Turkish Government states that it will appoint immediately, for not less than five years, a certain number of European legal advisers chosen from a list of jurists drawn up by the Permanent Court of International Justice. The candidates should be nationals of countries which remained neutral during the war of 1914-1918. The persons appointed will be considered as Turkish officials.

In accordance with this provision, General Limas Pachá, on October 26th, requested the President of the Court to draw up a list of candidates.

The Court, although of opinion that this matter did not, strictly speaking, come within its sphere, decided to comply with the request and instructed its President to ask the highest legal authorities of Denmark, Spain, Norway, the Netherlands, Sweden and Switzerland to recommend each before January 1st 1924 the names of two of their nationals qualified to undertake the duties of legal adviser to the Turkish Government.

As soon as all answers are received the Court will prepare a list for communication to the Turkish Government, which will then be able to make definite appointment.

III — General Questions

1. — VISIT OF THE SECRETARY-GENERAL TO BUCAREST, BUDAPEST AND ROME

At the beginning of the month, the Secretary-General, Sir Eric Drummond, at the invitation of the Roumanian and Hungarian Governments, paid visits to Bucarest and Budapest. He was accompanied by the Director of the Political Section, M Paul Mantoux, and other officials of the Secretariat. After these visits he went on to Rome.

At Bucarest the Secretary General was received in audience by the King of Roumania and conferred with the President of the Council M. Jean Bratianu, and the Minister for Foreign Affairs, M. Ducea. At a reception given in his honour at the Foreign Office he made the acquaintance of other members of the Cabinet and of the higher officials of the Foreign Office.

At Budapest, he was received in audience by Admiral Horthy and conferred with the President of the Council, Count Bethlen, and the Minister for Foreign Affairs M. Daruvarov. Receptions were given in his honour by the President of the Council and the Minister for Foreign Affairs at which he also met other members of the Cabinet, the officials of the Foreign Office, and the members of the diplomatic corps. At the request of the Hungarian Association for Foreign Affairs, the members of the Secretariat accompanying him gave lectures on the organisation, operation and work of the League.

From Budapest the Secretary General proceeded to Rome, where he was received by M. Mussolini, President of the Council and Minister for Foreign Affairs. He also conferred with M. Ciano, Secretary General of the Foreign Office, and other members of the Government including the Ministers of Finance, War, and the Navy, the Finance Minister, M. di Stefano, political personalities and high officials of the various Ministries. The Italian League of Nations Union gave a reception in his honour.

During his visit to Rome, the Secretary General was received in audience by His Holiness Pope Pius XI and paid a visit to Monsignor G. Gatti, the Cardinal Secretary of State to the Holy See.

2. — INTERNATIONAL AGREEMENTS

a) *Registration of treaties and international agreements*

Among the treaties and international agreements presented for registration in November figure a series of postal conventions concluded by China and Japan, a Convention concluded by Austria, Soviet Russia and Soviet Ukraine regulating the future relations between the Parties and an exchange of notes concerning the extension of the convention to all territories included in the Soviet Union, an exchange of notes between France and Great Britain on the renewal for five years of the arbitration convention of 1903, an exchange of notes between Estonia and Sweden regarding their commercial relations, a provisional commercial and maritime agreement between Denmark and Lithuania, and an arrangement between the Dutch East Indies and the Federated Malay States regarding the exchange of money orders.

b) *Amendments to the Covenant*

The Portuguese Government has deposited at the Secretariat the instruments of ratification of the amendments to the following Articles of the Covenant:

IV (Election of the Non Permanent Members of the Council), VI (Allocation of Expenses), XII, XIII, XV (Judicial Settlement and Arbitration), XVI (Economic Blockade) and XXVI (Ratification of Amendments).

The Canadian Government has signed the protocols of the four amendments to Article XVI of the Covenant, adopted by the second Assembly.

3. — POSTPONEMENT OF THE MEETING OF THE COMMISSION OF JURISTS

The Council of the League, at the proposal of the British Representative, has decided, in agreement with the members of the special Commission of Jurists, to summon for January 18th a meeting of that body originally fixed for December 4th.

munication, together with that freedom and equality of conditions which constitute a guarantee of peace and national welfare

To sum up, the task that lies before us is to carry out — with caution, it is true, but without ever losing sight of our object — the transformation of international treaty policy, in other words, to develop and create general international principles of a permanent nature, capable of being adapted to the needs of all countries

b) *Conference of Wireless Experts* (1)

The Committee of wireless experts, which met in London last July, held a short meeting at Geneva on November 14th and 15th for the purpose of further considering the proposals submitted by the Italian Government at the Council meeting in April. The members present were

M Fernandez y Medina, Chairman of the Committee on Communications and Transit (Chairman) assisted by

M G Bonnet

M G Angelini, Director of Electric Communications Postal Ministry, Rome

M Broun, Director of Telegraphic Services, Postal and Telegraphic Service Paris

Mr Brown Assistant Secretary, General Post Office London

Other negotiations for summoning an international conference to draw up international regulations applicable to all wireless communications having led to no positive result, the experts decided to propose to the Advisory Committee on Communications and Transit that the Council should be requested to take preparatory steps for the early convocation of such a conference

c) *Request of the Hungarian Government regarding the Arad Csanad Railway*

The Hungarian Government, in a memorandum dealing with the situation of the Arad Csanad Railway, has requested that this matter be placed on the agenda of the next Council meeting in virtue of Article CCCIV of the Treaty of Trianon

This Article lays down that the administration and technical reorganisation of railway systems of the former Austro-Hungarian Monarchy, owned by private companies and situated in the territory of two or more States, shall in each instance be regulated by an agreement between the owner and the States territorially concerned

Any difference on which agreement is not reached, including questions arising out of the interpretation of agreements concerning the expropriation of the lines, shall be submitted to arbitrators selected by the Council of the League

Two thirds (254 kilometres) of the Arad Csanad Railway is situated on territory allocated to Roumania by the Treaty of Trianon, one third remaining in Hungarian territory

2 — THE ECONOMIC AND FINANCIAL ORGANISATION (1)

a) *The Financial Reconstruction of Austria*

Immediately after the general elections the Austrian Parliament (*Nationalrat*) proceeded to elect of the Cabinet. The outgoing ministry with Monsignor Sulzer

(1) See *League Summary* Vol III, p. 343

(2) See *League Summary* Vol III, p. 343

(3) See *League Summary* Vol III, p. 343

Budgetary estimate for November — The budgetary estimates for November are as follows

Expenditure	500.5 milliards (paper)
Revenue	486.0 — —
Deficit	109.4 milliards (paper)

The aver. ge deficit for the last three months, including November, was 211 milliards, 21 milliards in excess of that provided for by the League Provisional Delegation. The deficit for December will therefore have to be correspondingly lower than that forecast in the original scheme.

Accounts for August and September — The audited account for August and September show real progress in the work of budgetary reform, the deficit during these months being lower than that fixed by the Commissioner General and even lower than the figure adopted by the Provisional Delegation.

The deficit fixed by the Commissioner General was 482.4 milliard crowns (paper) — 76.7 for August and 218.7 for September — as compared with a deficit of 380 milliards fixed by the Provisional Delegation. The real deficit during the period in question was 235 milliards — 82 in August and 161 in September.

Yield of loan securities — The yield of the custom and tobacco monopoly during October was 276 milliard crowns (custom 115, tobacco monopoly 161). These are the highest figures recorded since the beginning of the reconstruction work, denoting an increase of 87 milliards as compared with the monthly average of the first six months of the year. Should it be possible to maintain in the revenues on this level, they will be more than three times sufficient to ensure the service of the loans.

General situation — The number of unemployed has decreased from 75,842 at the end of October to 72,773 in November.

As regards Austria's foreign trade, the September figures are less satisfactory than those of the preceding month. In August the export figures were 87 million gold crowns as compared with imports to the amount of 135 millions. The September figures are 80 and 138 millions (export and import). The September export figure is, however, higher than that of July — 77 millions. The monthly average export during the third term of 1921 was 81 million as compared with 60 and 73 during the first and second terms.

The savings bank deposits have continued to increase, reaching the figure of 32 million gold crowns at the end of October (1).

The cost of living index rose by 1 % during November.

According to the balance sheet of November 15th of the National Bank, bank notes are at present in circulation to the amount of 6,315 milliard crowns with a cover of 54.4 % gold reserve and 3,452 milliards in foreign currencies. If current accounts to the extent of 771 milliards be added to the total of the note circulation, it will be seen that total commitments of 7,107 milliards are guaranteed by a cover of 86.5 %.

b) Tenth Session of the Financial Committee

The Financial Reconstruction of Hungary — The League Financial Committee met in London from November 20th to 28th for the purpose of framing a preliminary scheme for the financial reconstruction of Hungary.

The Committee after discussing the information obtained by members of the Secretariat who had studied the Hungarian financial situation on the spot, and

(1) The figures given in the *Monthly Summary* Vol. III No. 10 should read 30 milliards instead of 34.

hearing a statement by a Hungarian delegation composed of Dr. K. Hay, Finance Minister, M. W. Polak, Minister of Commerce, and Dr. Schindl, Under Secretary of State for Agriculture, drew up a report recommending a detailed reconstruction plan.

The report has been communicated to the Member of the Council who will examine it, and at their next session the Financial Committee will meet among the many other sessions of the Council. It should be noted that the content of the Report on Communism must be obtained before any reconstruction chart can be put into execution.

Inter-Allied Conference on Customs Unions

The Conference on Customs Unions, Inter-Allied Conference on Customs Unions, was held in London, England, from October 1 to November 2, 1921, and was presided over by the British Secretary of State for the Colonies.

Austria	Belgium
France	Canada (French Protectorate)
Germany	Denmark
Italy	Sweden
Japan	South African Union
Poland	Switzerland
Romania	United Kingdom
Slovakia	United States
Czechoslovakia	

The following resolutions, the recommendations of the Conference, were signed by the British Secretary of State:

Austria	Belgium
France	Canada (French Protectorate)
Germany	Denmark
Italy	Sweden
Japan	South African Union
Poland	Switzerland
Romania	United Kingdom
Slovakia	United States
Czechoslovakia	

d) Lausanne Convention

The Secretary General has invited a certain number of Governments to send representatives to a preliminary meeting of experts to be held on May 31st, 1921,

at Geneva for the purpose of discussing a draft convention for the suppression of certain forms of unfair competition.

This question is brought within the scope of the League by Article XVIII of the Covenant by which Member of the League undertake to make provision for the equitable treatment of the commerce of all Members.

According to the procedure usually followed in such cases, the Economic Committee after a thorough study of the question drew up a series of suggestions with a view to rendering effective the protection against unfair competition, the protection of industrial property, of manufacturers' and trade marks, etc.

These proposals were forwarded for comment to the Government of States Member of the League or States Parties to the Paris Convention for the Protection of Industrial Property, and were subsequently revised in accordance with the observations of twenty-five Governments and of the Permanent Bureau for the Protection of Industrial Property at Berne.

The revised programme is divided into two parts: a) revised draft convention, b) a list of important questions which in the opinion of the Committee should also be considered by the experts.

The text of the draft convention includes a series of measures and guarantees to be taken by States for the protection of different forms of industrial property. The other questions submitted to the experts are considered by the Committee to be of special interest and of a nature to amend or enlarge the programme, which will be drawn up in its final form after the meeting of the conference of experts.

The final draft will be submitted to an International conference.

(1) *Arbitration Clauses in Commercial Contracts*

The Protocol dealing with arbitration clauses in commercial contracts ⁽¹⁾ was communicated during the month to all States members of the League.

In a covering letter the Secretary General emphasised the importance of numerous and prompt ratifications.

It will be remembered that the Fourth Assembly decided to open for signature by all States, members or non members of the League, a protocol drawn up by the Economic Committee for the recognition of the validity of arbitration agreements in commercial contracts concluded by persons subject to the jurisdiction of different States.

The Protocol will enter into force as soon as two instruments of ratification have been deposited at the Secretariat. Up to the present date the following eight States have signed the Protocol:

Belgium	France	Lithuania
Brazil	Greece	Prussia
British Empire	Italy	Uruguay

3 — THE COMMITTEE OF INTELLECTUAL CO-OPERATION — THIRD SESSION

The Committee on Intellectual Co-operation opened its third plenary session on November 28th at Paris, M. Henri Bergson presiding.

The Sub-Committee on Intellectual Property met on November 28th and 29th, the Sub-Committee on Bibliography began work on November 30th.

(1) See *Ann. Int. League*, Vol. III, No. 7.

V - Administrative Questions

1 - DAKOTA

At the 1917-18 Session of the Dakota State Board of Education, the following resolution was adopted: "Resolved, That the State Board of Education be authorized to cause to be prepared a report on the condition of the State Board of Education."

The following report was prepared by the State Board of Education, and was presented to the Board at its meeting on July 1, 1918. The report was adopted by the Board, and the following resolution was passed: "Resolved, That the State Board of Education be authorized to cause to be prepared a report on the condition of the State Board of Education."

The following report was prepared by the State Board of Education, and was presented to the Board at its meeting on July 1, 1918. The report was adopted by the Board, and the following resolution was passed: "Resolved, That the State Board of Education be authorized to cause to be prepared a report on the condition of the State Board of Education."

The following report was prepared by the State Board of Education, and was presented to the Board at its meeting on July 1, 1918. The report was adopted by the Board, and the following resolution was passed: "Resolved, That the State Board of Education be authorized to cause to be prepared a report on the condition of the State Board of Education."

2 - SASKATCHEWAN

The following report was prepared by the Saskatchewan Board of Education, and was presented to the Board at its meeting on July 1, 1918. The report was adopted by the Board, and the following resolution was passed: "Resolved, That the Saskatchewan Board of Education be authorized to cause to be prepared a report on the condition of the Saskatchewan Board of Education."

3 - MANITOBA

The following report was prepared by the Manitoba Board of Education, and was presented to the Board at its meeting on July 1, 1918. The report was adopted by the Board, and the following resolution was passed: "Resolved, That the Manitoba Board of Education be authorized to cause to be prepared a report on the condition of the Manitoba Board of Education."

VI - The Protection of Minorities

THE PROTECTION OF GREEK AND TURKISH PERMITS

The following report was prepared by the Greek and Turkish Permits Commission, and was presented to the Board at its meeting on July 1, 1918. The report was adopted by the Board, and the following resolution was passed: "Resolved, That the Greek and Turkish Permits Commission be authorized to cause to be prepared a report on the condition of the Greek and Turkish Permits Commission."

and from the Mixed Commission, relating to the exchange of Greek and Turkish populations under the Greco-Turkish Convention of January 30th, 1923.

On November 15th, General Ismet Pasha, President of the Council of Ministers and Minister for Foreign Affairs of Turkey, forwarded to the Secretary General a letter enclosing copy of a protest communicated by the delegate of the Turkish Foreign Ministry at Constantinople to the representatives in that city of the Powers signatory to the Treaty of Lausanne. In his letter, General Ismet Pasha requested the Secretary General to bring before the Council "the violation by the Greek Government of the clauses of the Convention and the menace to peace in the Near East which such violation might entail." It was stated, moreover, that the Mixed Commission had not been able in spite of its efforts and protests to obtain the execution of the clauses of the Greco-Turkish Convention.

In reply to the Turkish Note, the Greek Government, on November 19, communicated to the Secretary General copy of a statement it had already addressed to the Powers signatory to the Treaty of Lausanne. Therein, the Greek Government stated that no exceptional measures had been taken with regard to Moslems subject to exchange. It declared, moreover, that it was ready to do all in its power to ensure the strict execution—both in letter and spirit—of the Convention. On the other hand, the Greek Government complained of certain measures taken by the Turkish Government with regard to the Greek exchange population, stating that the Turkish delegation to the Mixed Commission had refused to agree to the constitution in Turkey of sub-committees on the same lines as those set up in Greece to supervise the departure of the emigrants and to ensure that the transportation was effected under satisfactory conditions.

The Mixed Commission referred to in the foregoing communications is composed of eleven members, four appointed by Turkey, four by Greece, and three by the Council of the League (1), and was set up to supervise the execution of the Greco-Turkish Convention on the exchange of Greek and Turkish populations. Its main functions are to supervise and facilitate the emigration of the populations subject to exchange and to organise the liquidation of the movable and immovable property of the emigrants. It is empowered to take all measures required by the execution of the Convention, to set up sub-committees to work under its supervision wherever necessary, to decide all questions arising out of the Convention, and to settle all contentions relating to property, rights and interests.

The Chairman of the Mixed Commission, General de Lata, on November 23rd, communicated to the Secretary General a declaration of the Turkish delegate to the Commission to the effect that his Government based all its hopes on the work of the Commission as it had the fullest confidence in the spirit of justice and the competence of its members. He further stated that his Government was convinced that, thanks to the spirit of equity which had so far characterised its decisions, the Mixed Commission would overcome all the difficulties inherent in its important work. He believed that the well-ordered methods of the Commission and the strict application of its decisions would ensure the success of the work entrusted to it—work upon which depended the fate of hundreds of thousands of persons.

The Greek delegate made a declaration in identical terms.

VII — Social and Humanitarian Questions

THE GREEK REFUGEES SETTLEMENT SCHEME

1) Ratification of Protocol

On November 22nd the Greek Government deposited with the League Secretariat the instrument of ratification of the Protocol relating to the settlement of

of consolidation, consisting the results of an immense number of decisions given by higher judicial authorities. It has been adopted in principle by the Dominions. The adoption of the Continental system in its entirety would render all the work that has been done of no avail. Great Britain took part in the work done at the Hague to which it attaches great importance, she would be obliged to see the present large number of types of law reduced to two—the Anglo-American type and the Continental type. Sir Mackenzie points out that the United States of America, which were also represented at the Hague in 1910 and 1912, adopted the same attitude. Moreover the United States Constitution does not empower the Federal Legislature to impose a law covering the entire subject of bills of exchange on the States. Such is the Union. Approaching uniformity in relating to negotiable instruments have with great difficulty been passed in a large majority of States in the Union. The sacrifice of the unity thus obtained cannot be contemplated.

Report of Dr. Josephus Filla — Dr. Jitta is of opinion that Anglo-American law will not be completely altered. He notes that generally speaking the Uniform Regulation drawn up at the Hague has been favourably received in a large number of European and American countries, and particularly in Latin America. He considers that this Regulation is well adapted to form the basis of a new agreement leading to a bifurcation, and thence to gradual assimilation. There would thus be only two types of law relating to bills of exchange—Anglo-American law, which would gradually come nearer Continental law, and Continental law, which would gradually come nearer Anglo-American law.

Report of Dr. Klein — Dr. Klein considers that the Convention and Uniform Regulation of the Hague should be used as a basis for the work of the future conference. In his opinion, invitations to this conference would be sent to all States which took part in the Conference of 1912 and also to those which at that time formed part of a participating State.

Report of Professor Lyon Caen — Professor Lyon Caen notes the obstacles raised to the ratification of the Hague Convention, particularly in France. He recommends that both lawyers and practical men of business—bankers and merchants—should be consulted and invited to deliberate in common as was the case in 1910 and 1912 at the Hague. The rapporteur considers that it is essential that the uniform law should contain provisions which conform with the principle of law and to the requirements of business.

.. — QUARTERLY BULLETIN OF INFORMATION ON THE WORK OF INTERNATIONAL ORGANISATIONS (No. 5)

The fifth number of the Quarterly Bulletin of Information on the Work of International Organisations is published by the Secretariat in November.

The present issue includes accounts of meetings of the International Congress of Military Medicine and Pharmacy, the Baltic and White Sea Conference, the International Chamber of Commerce, the International Association for the Promotion of Child Welfare, the Inter-Parliamentary Union, the International Office of the National Federations of the Teaching Staff in Secondary Schools, the International Criminal Police Commission, and the International Railway Union. It also contains a list of the publication of international bodies received into the last number.

IV League of Nation Pamphlets.

[illegible]

U.S. Dept. of Health, Education and Welfare

[illegible][illegible]

1. The information is not relevant to the investigation.
2. The information is not in the public interest.
3. The information is not in the public interest.
4. The information is not in the public interest.
5. The information is not in the public interest.

Y – Forthcoming Events

1 March 1946	Meeting of the Supervisory Commission, Geneva
1 April	Meeting of the Special Committee of June 1, Geneva
1946	Meeting of the Commission, Body of the International Labour Organization
1947	Meeting of the National Commission of the Permanent Advisory Commission for Military, Naval and Air Questions, Geneva
1948	Meeting of the Allocation Committee, Geneva

February 18th or 24th	Eleventh session of the Economic Committee, Geneva
March 24th	Third session of the Committee of Government Experts on Double Taxation and Fiscal Exemption, Geneva
May 4th	Expert Conference on Unfair Competition, Geneva
May 12th (about)	Twelfth session of the Economic Committee, Geneva

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101 \$7

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VOLUME I

The first volume of the Memorandum on Public Finance 1922 contains a review of the financial position of the country, chiefly European, the explanatory notes on the budget, the table of the main items of revenue and expenditure, public debt, the balance of trade, etc.

101 \$2

BUDGET EXPENDITURE ON NATIONAL DEFENCE

1921-1922

This document contains the Public Investigation on National Defence 1921-1922, which is the result of the "Institution Inquiry into National Armaments". The study was conducted in 1921 by a committee of twelve members, including the President of the Council of Ministers, the Minister of War, the Minister of Finance, and the Minister of the Interior. The study was conducted in 1921 by a committee of twelve members, including the President of the Council of Ministers, the Minister of War, the Minister of Finance, and the Minister of the Interior. The study was conducted in 1921 by a committee of twelve members, including the President of the Council of Ministers, the Minister of War, the Minister of Finance, and the Minister of the Interior.

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COMMITTED TO THE FINANCIAL COMMITTEE

BY

HONORABLE MEMBERS OF THE FINANCIAL COMMITTEE AND SIR JOSIAH STAMP

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Vol III No 12

January 15th 1924

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IN 1923

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I — The League in 1923

The year 1923 saw the completion of the task of creating the main organs of the League of Nations and the extension of its work into new wider fields.

The period of organisation in 1923, in a general sense, has now terminated. On the one hand, all the various main agencies of the League in questions relating to political, law, financial, economic, transit, health and humanitarian activities have been created, on the other, there has come a definite and precise realisation of the part to be played in international life by an association of sovereign nations.

One way of indicating the activity of the League in the past year would be to cite the meetings held by the different organisations composing it. The Assembly, for instance, held its fourth session from September 3rd to 29th. The Council met five times, its 23rd session being held in January, 24th in April, 25th in June, 26th in August-September, and 27th in December. In addition to the regular session held each June, the Permanent Court of International Justice met twice in Extraordinary Session, once in January and once in November. Three general international Conferences met in Geneva during the year, one in August on the Traffic in Obscene Publications, another in November on the Simplification of Customs Formalities and the third in November on Communications and Transit.

Similarly, the various Committees of the League have met as necessity required during the year. A simple list of their names will give an idea of the scope of the work undertaken. The Economic Committee, the Finance Committee, Permanent Advisory Committee on Military, Naval and Air Questions, the Temporary Mixed Commission for the Reduction of Armaments, the Health Committee, the Committee on Communications and Transit, the Committee on Intellectual Co-operation, the Opium Advisory Committee, the Committee on the Traffic in Women and Children, and the Committee on Double Taxation.

During 1923, moreover, several appeals were made to the mediation of the League under Article XI of the Covenant, which declares it 'to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends'. For instance, the British Secretary of State for Foreign Affairs in January called the attention of the Council to the situation at Mosul. Later on, Hungary signalled the expropriation by Roumania of the immovable property of Hungarian optants, a question considered at several sessions of the Council and in special negotiations. Bulgaria drew the attention of the Council to the treatment of Bulgarians by Greek authorities in Western Thrace and Albania to the possibility that Greece might submit the Muslims of Albania race to the forced migration provided for for other Muslims in Greece. Finally, towards the end of the year, the Conference of Ambassadors drew the attention of the Council to the situation which had arisen at Vimeux. The Council considered the question at length and appointing an impartial committee to prepare a plan of settlement for its next meeting.

Other political questions were also discussed during the year. The Italo-Greek dispute was brought before the Council by Greece under Articles XII and XV of the Covenant. The Council discussing the question at its 23rd and 24th meetings throughout September and making certain practical suggestions for its solution. A frontier dispute between Czechoslovakia and Hungary which had been brought before the League the previous year was settled during the course of 1923, and another frontier difficulty, between Czechoslovakia and Poland in the Jaworzna district, which had been referred by the Council to the Court for an advisory opinion, was considerably advanced towards settlement by the end of the year.

The questions vary considerably both in intrinsic importance and in method

Another large reconstructive effort has been that of the settlement of a million refugees in Greece. Following on an appeal by the Greek Government for League aid in securing a guaranteed loan and on the statement of the Secretary of State of the United States that the American Relief organisations would be forced shortly to discontinue their work among the refugees, the Council initiated a double enquiry, on the one hand, by Dr Nansen's organisation to find out if a wholesale scheme of settlement were possible, and on the other hand, by the Financial Committee to see if and on what terms a loan would be obtainable. Both these questions having been answered affirmatively, the Council drew up a Protocol with the Greek Government, arranged the financial details necessary for the loan, and created a Greek Refugee Settlement Commission of which Mr Henry Morgenthau, former American Ambassador at Constantinople, was appointed President. By the end of the year, funds had been made available and the Commission had begun its work.

Two other specific instances of this sort may be mentioned. In the first, the Council, acting on the request of the Albanian Government to name a Financial Adviser to that country, appointed Mr Hunger, for twenty nine years a member of the Dutch Colonial Service, while at the same time, the Financial Committee worked out details for an Albanian Bank of Issue. In the second, the Financial Committee drew up plans for a new currency in the Free City of Danzig which had suffered very severely by depreciation of its monetary values.

Special steps have been taken to overcome certain serious international difficulties in finance and economics. An International Conference with thirty six States participating was held in October to draw up a Convention on the simplification of Customs Formalities. Another Convention has been drawn up by the Economic and Financial Committee and approved by the Assembly for submission to the various nations in connection with arbitration clauses in commercial contracts. The very difficult question of double taxation and fiscal evasion has been studied first by a Committee of Experts, and second by a Committee of Taxation Authorities from different countries. The question of the unification of legislation relating to bills of exchange and promissory notes has also been studied. Finally, a number of publications on financial questions have been published, including the Monthly Bulletin of Statistics and special studies on Banking, Currency, and Exchange.

In the field of International Communications and Transit, the second General Conference continuing that held at Barcelona two years ago, took place at Geneva in November with forty one States present. Four International Conventions were adopted on the International Regime of Railway on Maritime Ports, on the Transmission on Transit of Electric Power, and on the Development of Hydraulic Power on Watercourses forming part of a basin situated in the territory of several States.

The Organisation on Communications and Transit has also undertaken several studies of considerable practical importance. Amongst them may be named the proposal for an International Radio telegraphic Conference, the question of summer time, the Reform of the Calendar, etc.

As regards Mandates, the British Mandate for Palestine and the French Mandate for Syria entered into force during the course of the year. Various Mandatory Powers have submitted their Annual Reports which have been duly examined by the Mandates Commission and reported on to the Council. The Council has settled the procedure for petitions concerning the inhabitants of mandated territories, and, after detailed negotiation with the various Government, the national status of the inhabitants of the so called "B" and "C" Mandates in South Africa and the Pacific. The Government of South Africa has submitted to the Mandates Commission a report on the Bondelvaarts affair and the British Government informed the Council of certain agreement arrived at with King Faisal recognising the Kingdom of Iraq as an independent State.

As regards the protection of minorities, Lithuania and Latvia made declara-

bring its work to a more definite point. An Enquiry suggested by the representative of the United States and for which American organisations have agreed to provide the necessary funds, is to be undertaken into the extent of the traffic and the methods employed to suppress it. The Convention drawn up at the Second Assembly is being ratified by the various nations, and agencies are being set up in various States to make its provisions effective.

Finally, the question of Russian Refugees scattered throughout various countries in Europe has been followed as thoroughly as funds permitted. The model identity certificate by which it was hoped to expedite travel to places of employment has been very generally adopted. Most of the Russians who were unself-sustaining in Constantinople have been evacuated from that city, many of them to France. For others it has been made possible to go either over seas or in many cases to Russia itself.

One result of this increasing international co-operation has been the formation of mixed sub-commissions for the common study of problems by two or more organisations of the League, such as mixed sub-commissions of Health and Opium, of Health and Transit, of the Temporary and Permanent Military Commissions. The Economic Committee has been asked to draft a Convention on the private manufacture of arms in collaboration with the Temporary Mixed Commission for the Reduction of Armaments. There has also developed during the year an appreciable co-operation with other international bodies unconnected with the League, such, for instance, as the International Chamber of Commerce, the Office International d'Hygiène Publique, various European River Commissions, the International Rail-road Administration and The International Relief Agencies.

Within the organization of the League itself, certain changes may be noted. The number of State Members rose in the year to 4 through the admission of the Irish Free State and Abyssinia. Czechoslovakia replaced China on the Council. The amendments to the Covenant adopted by the First Assembly in connection with the election of non permanent Members of the Council, the Budget, etc., are being ratified by the various States Members and at least some of them are likely to become operative shortly. Finally, the new scale of national contributions was again adopted for 1924 and the services of the Secretariat carefully examined by the Committee of Control.

The year 1923, therefore, may be said to show both a widening and a deepening of League organization and activity.

II — The Permanent Court of International Justice

THE JAWORZYNA QUESTION ⁽¹⁾ — ADVISORY OPINION OF THE COURT

At public sitting on December 6th the Permanent Court of International Justice delivered its ad hoc opinion on the question of the delimitation of the frontier between Poland and Czechoslovakia in the district of Javor von (Spas)

Basing its opinion upon a detailed juridical argument, the Court concludes that the question of the delimitation of the frontier between Poland and Czechoslovakia has been settled by the decision of the Conference of Ambassadors of July 28th 1920 which is definitive.

But that the decision must be applied in its entirety and that consequently that portion of the frontier in the region of Sp. is topographically described the same manner subject to it from the modification of detail which the customary procedure of marking boundaries may entail to the modification provided for under paragraph 3 of Article II of the same decision.

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III General Questions

1. The Council of the League of Nations

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b) Conference on the Revision of Naval Instruments

The Council, in view of the fact that several answers from States invited to send delegates to the meeting of the League Naval Sub Committee are still outstanding has decided to request the Committee to postpone its conference, which was originally fixed for January, till a date not earlier than the 14th and not later than the end of February.

2 — INTERNATIONAL AGREEMENTS

a) Amendments to the Covenant

The Latvian Government has deposited with the Secretariat the instrument of ratification of the three amendments to article XXVI of the Covenant, relating to the ratification of amendments to that document.

b) Registration of Treaties and international Agreements

The treaties and international agreements registered with the Secretariat during the month include

A series of conventions and agreements between Great Britain and the United States, Afghanistan, Italy and France, presented for registration by Great Britain,

A commercial treaty between France and Canada, presented for registration by Great Britain,

Commercial treaties concluded by Latvia with Czechoslovakia and Great Britain, presented for registration by Latvia and Great Britain,

An arbitration protocol signed by Chile and Peru, presented for registration by the former,

An exchange of notes between Finland and Sweden, concerning the establishment of lighthouses and sound signal stations, presented by Sweden, and

Two protocols concerning financial and juridical questions signed by Bulgaria and the Serb-Croat-Slovene Kingdom, presented for registration by Bulgaria.

c) Publication of signatures, accessions to and ratifications of certain conventions deposited with the Secretariat

The periodical publication by the Secretariat of a list of the Parties signing, ratifying, or acceding to certain Conventions is authorized by the Council at its December session. The Conventions, which are deposited with the Secretariat, are

The Convention on the Regime of Navigable Waterways of International Concern,
The International Convention for the Suppression of the Traffic in Women and Children, and

The International Convention for the Simplification of Customs Formalities.

Each of the above mentioned Conventions contains a provision to the effect that the Secretary-General shall keep a special record showing which of the Parties have signed, acceded to, or ratified the Convention in question. This record is to be open at all times to the Members of the League and to be published as often as possible in accordance with the direction of the Council.

The Council decided that, as a general rule, the publication should take place at least once a year.

some points which had been left over for further consideration. The Council eventually received the final report unanimously presented by the Committee.

The Council at the same time approved the text of two Protocols presented by the Hungarian Committee: the first dealing (like the Austrian Protocol I) with certain political conditions and particularly containing safeguards against any use of the scheme to obtain special or exclusive commercial advantages, and the second embodying in the form of an engagement to be signed by Hungary the main features of control reform, etc. required by the financial scheme.

While the text of these Protocols was approved, they will not, of course, be actually signed until the scheme can be accepted as a whole by the Governments concerned. In view of the main factors of the problem, some of which are outside the sphere within which the Financial Committee have just concluded their study, the Council decided to continue their discussions at a further meeting. In order, however, to prevent any avoidable delay, the Council decided not to wait till their next ordinary meeting in March, but to delegate full powers to take all decisions on behalf of the Council to the Hungarian Committee of the Council, which, it was arranged, should meet specially in the middle of January, when it is hoped that the whole matter can be concluded. Some of the questions which require settlement before the final conclusion of the whole scheme involve negotiations between Hungary and her neighbours, others between certain of her neighbours and the Principal Allies, but these have already been begun and are being continued as rapidly as possible, in order to permit the full acceptance of the scheme in January.

The Report of the Financial Committee is now published. It will be seen that the main outline of the scheme may be summarised as follows:

- 1) The stopping of inflation with a view to the *stabilisation* of the Hungarian crown, this being assisted by,
- 2) An independent bank of issue, enjoying the monopoly of note issue,
- 3) The balance of the budget by June 30th 1926, so that, thereafter current expenses will be met by taxation without recourse to either inflation or loans,
- 4) A reconstruction loan of about £10,000,000 (250,000,000 gold crowns) secured by specific Hungarian revenues, to cover the deficit till June 1926, so that inflation may be stopped without waiting till the budget is balanced (which could probably never be achieved while inflation was still in progress),
- 5) A control through a Commissioner General appointed by and solely responsible to, the Council of the League, for the purpose of ensuring the due execution of the whole programme.

The success of the scheme so outlined requires

- 6) Satisfactory *political relations* between Hungary and her neighbours (See Protocol I),
- 7) Suitable arrangements with regard to her *external obligations*, particularly relief credits and reparations.

In this connection, the Committee consider it is essential that during the period of reconstruction (i.e. till the middle of June 1926) no payments whatever in the nature of reparation should be made, apart from the continuance of certain coal deliveries already made and provision for which is already included in the present budget. Secondly, that, thereafter, the maximum total average of Treaty charge payments should be absolutely defined for the whole of the next 20 years and should not exceed as a maximum average annual amount during that period, 10 million gold crowns (£400,000) per annum, the annual payments in the years immediately succeeding the reconstruction period being substantially less than this amount. If the loan under conditions to be discussed with the lenders, should be redeemed in a shorter period than twenty years, the scheme provides that in such a case the full advantage of the more rapid redemption should be secured for Hungary, herself, for example, if the loan is redeemed in fifteen years, any extra

payments she might make for that purpose at any time in the first fifteen years would result in a fully equivalent reduction of the total payments due by her in the immediately succeeding years.

The Financial Committee's scheme is expressly limited to recovering the budgetary and, therefore, the financial position. It contemplates a balanced budget and a loan for the purpose—and the sole purpose—of covering the deficit during this period. The Committee recognises that the Hungarian trade balance needs improving, but the necessary economic adaptations must be effected by Hungary herself. The essential contribution of the proposed scheme is to give a stable basis on which this adaptation can take place. The Committee also recognises that the country needs liquid capital for the purpose of developing its national resources. But this capital must come, not by means of a loan to the Government secured on national revenues but through natural and private channels under the attraction of the economic prospects of Hungary. The contribution the scheme makes is to offer stability and security in the financial basis of the country, which will allow the prospects of economic development to have their full attractive force to foreign capital.

The Committee, while noting that economic considerations are not strictly within its scope, makes a number of suggestions with regard to economic policy and development (§ 9 of the Paper). On the economic part of Hungary is a whole the Committee makes one general remark, it states that, in the case of Austria, there were fears—highly to all appearance disproved by later events—that Austria, within the frontiers defined by the Treaty of St. Germain, was essentially not "viable." It states, however, that in the case of such a country as Hungary, with its rich natural resources and self-sufficiency in food, the position is entirely different. Adaptations may be made by Hungary. An economic policy adjusted to her conditions must be adopted. Some change in her economic life may well develop. Great improvement in the facilities for foreign trade are required. But all these things are possible, and will be facilitated by financial stability.

The Committee points out that it has constructed a scheme which does not rely upon Government guarantee. It does not think that such guarantees should be necessary. For Austria this was necessary because by September 1922 Austria's financial position (combined with her dependence upon imported food and raw materials) was such as to present a real risk of social disorder developing to a point at which it would destroy the value of any securities she could offer. Moreover the efficacy of League control was untried and unknown and the recuperative power of a country when given the support of currency reform was equally a matter of conjecture. The position of Hungary to-day is very different. Her budget is by no means in so desperate a condition. The disorganisation of her economic life measured by the depreciation of the currency is considerably less. Her natural resources (particularly her self-sufficiency in food) afford a more solid basis. Above all, perhaps, there are the proved results of the Austrian experience—the set-backing and both the value of the assigned revenue and the general economic and financial recovery that have resulted from stabilisation and control.

The following note as to the future contemplated programme may be useful.

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| December to January | Negotiations continued between Czechoslovakia, Roumania, and the Serb-Croat-Slovene State, and
a) The Principal Allies, and
b) Hungary,
as to any outstanding question whose settlement is necessary before the Hungarian scheme can be finally approved. |
| January 10th | Meeting of Hungarian Committee.
Signature of Protocols.
Choice of Commissioner General. |

January	Decision of Reparation Commission releasing loans for purpose of scheme
February	Arrival of League Delegation in Budapest to work out detailed programme of budget reform Raising of internal loan in Hungary Final approval of Statutes of Bank of issue Passage of legislation creating bank and its establishment Agreement of detailed programme of reform with League Delegation Preparation of corresponding legislation Passage by Hungarian Parliament of three laws a) Ratification of protocols, b) Voting of Reform Programme, c) Voting of Pleins pouvoirs Effective control of Commissioner General begins with opening of controlled accounts for assigned assets
March	External loan negotiations begin

The Council, in taking its decisions, expressed the hope that the next stage of the negotiations would be concluded as quickly as possible so that the Protocols might be signed in January and the rest of the work carried out in accordance with the schedule. Lord Robert Cecil, in commenting upon the conciliatory attitude shown by all the States concerned, foreshadowed the successful completion of this further effort towards the "vividly necessary" reconstruction of Europe. M. Titulesco (Roumania), M. Benes (Czechoslovakia) and M. Djouritch (Serb-Croat-Slovene State), expressed their desire to reach a satisfactory conclusion, M. Benes and M. Djouritch asserting that what had already been accomplished was a step towards the definite consolidation of the States of Central Europe. Count Bethlen thanked the Council, the Financial Committee and all the Governments who were contributing towards the realisation of Hungarian reconstruction and M. Hanotaux (France) and M. Bonin Longare (Italy) spoke of the satisfaction of their respective Governments at what had been done. M. Hanotaux hoped that Hungary would derive benefits similar to those Austria had experienced under the League scheme.

b) Second Report of the Financial Adviser to the Albanian Government

The second report of the Financial Adviser to the Albanian Government, M. Hunger, covering the period July 25th to November 30th, together with the comments of the Financial Committee, came before the Council in December.

In his report, M. Hunger draws attention to the serious financial situation of Albania and to the urgent necessity of balancing the budget. For this purpose, M. Hunger suggests that an audit office should be constituted, not only to verify the financial operations of the Government, but also to check and control the State expenditure with a view to proposing measures of economy. The founding of a national bank would also seem to be an indispensable factor in the financial restoration of Albania.

The Council noted the comments of the Financial Committee on this report.

c) The International Conference on Customs Formalities

The Council on December 10th requested the Economic Committee to study and submit proposals on the question of the constitution of the technical organisation provided for in Article 22 of the Convention for the Simplification of Customs Formalities.

The Article stipulates

Should a dispute arise between two or more Contracting States as to the interpretation or application of the provisions of the present Convention, and should such dis-

pute not be settled either directly between the parties or by the employment of any other means of reaching agreement, the parties to the dispute may, before resorting to any arbitral or judicial procedure, submit the dispute with a view to an amicable settlement, to such technical body as the Council of the League of Nations may appoint for this purpose. This body will give an advisory opinion after hearing the parties and effecting a meeting between them if necessary.

The Council further requested the Economic Committee to consider what action should be taken on the recommendations contained in the Final Act of the Conference with regard to the conclusion of agreements in respect of the clearing of goods through Customs and with regard to false customs declarations.

The Council, on December 10th, decided to transmit a certified true copy of the International Convention for the Simplification of Customs Formalities to the Governments of Ecuador, Mexico, Russia and Turkey, in order that these States might be able, if they so desired, to sign or accede to it.

The Convention is open for signature until October 31st, 1924, by any State represented at the Conference of Geneva, by any Member of the League and by any State to which the Council may communicate a copy of the Convention for this purpose. After October 31st, 1924, the Convention may be acceded to subject to the same conditions.

3 — SECOND GENERAL CONFERENCE ON COMMUNICATIONS AND TRANSIT

The Second General Conference on Communications and Transit was held at Geneva from November 15th to December 8th, 1921, with Senator Conti (Italy) in the chair. Its agenda included four draft Conventions which were adopted with certain amendments. They dealt with the following subjects:

- a) The International Regime of Railways,
- b) Maritime Ports,
- c) Transmission and Transit of Electric Power;
- d) Development of Hydraulic Power on Watercourses forming part of a Basin situated in the Territory of several States.

a) Convention on the International Regime of Railways

The question of the International Regime of Railways had already been raised at Barcelona in March 1921, but that Conference confined itself to passing a resolution that a further Conference should shortly be held for the purpose of drawing up and signing a convention on the subject. The Committee for Communications and Transit thereupon undertook the preparatory work and, with the help of a Committee of Experts, drew up a General Draft Convention. The text was submitted to the Conference which has just met at Geneva, and was adopted with certain modifications, principally as regards fair treatment of commerce and the procedure to be followed in cases of litigation.

The Convention contains the summary codification of existing international obligations in matters concerning railway transport, which, as soon as the Convention comes into force, that is, on ratification by five of the signatories, will become binding for the contracting powers. In this way it fills an important gap which has hitherto existed in international law.

Railway agreements between States or administrations are too diverse all to be contained in a single treaty. For this reason it is not intended that the new general Convention should take the place of bilateral agreements already in existence. On the contrary, it will facilitate the conclusion of such agreements by laying down the general principles on which they should be based.

The Convention is divided into two parts, the Convention proper, which defines the aims and the procedure to be followed, and the Statute or technical part.

The Statute, again, is divided into six parts

- 1 Interchange of international traffic by rail
- 2 Mutual use of rolling stock and technical uniformity
- 3 Relations between railways and the persons who use them
- 4 Tariffs
- 5 Financial arrangements between railway administrations as regards international traffic
- 6 General regulations

1 *Interchange of international traffic by rail* — The contracting States undertake to uphold the following principles

- a) Junction of international lines allowing a through service on these lines
- b) The use of a single common station for frontier services, or, at any rate, one station for traffic in each direction
- c) Obligation to afford the international service all necessary facilities and protection
- d) Fair treatment for all nationalities without political prejudice
- e) Conditions of speed and comfort proportionate to the importance of the traffic concerned
- f) Organisation of through trains of through carriages on the principal international routes
- g) Encouragement of all technical measures calculated to ensure speedy and efficient service on the more important trade routes
- h) Speedy re-establishment of normal service in cases of temporary suspension
- i) Regulation and simplification of all customs, police and passports formalities

2 *Mutual use of rolling stock and technical uniformity* — The contracting States undertake to urge the railway administrations under their sovereignty to conclude special agreements permitting and facilitating the exchange and reciprocal use of rolling stock and the supply of empty trucks. In cases where alterations in the essential characteristics of a railway system or of rolling stock appear especially desirable owing to the abundance of traffic and the relatively small adaptation required, they undertake to communicate without delay, and to examine in a friendly spirit, all proposals for such alterations. Further with a view to facilitating the reciprocal use of rolling stock the States undertake to promote agreements dealing with the technical uniformity of railways, especially in respect of the construction and upkeep of rolling-stock and the loading of trucks. Special agreements may also be made for providing assistance in motive power, fuel or electric current.

3 *Relations between the railways and the persons who use them* — The contracting States undertake to facilitate the transport of passenger and goods on the basis of a single contract covering the whole journey (one ticket one registration of luggage, one despatch of goods). The Statute also specifies certain important technical points to be borne in mind in the drawing up of individual treaties regarding these single contract.

4 *Tariffs* — The contracting States promise that tariffs shall be duly published before coming into force and that they shall fix, in respect of passengers and their luggage, the carriage charges and the conditions under which they shall apply, and, in respect of goods, the carriage charge including incidental expenses, classification of goods to which the charges are applicable and the conditions under which they are applicable. In their recognition of the need to allow in their tariffs the elasticity essential for the complex requirements of commerce and of commercial competition, the States uphold their right to arrange their own systems, provided only that this right does not prejudice the development of international traffic.

The States undertake to establish reasonable tariffs and not to discriminate to the disadvantage of any of the other contracting States. They also undertake to establish international tariffs and to obtain uniformity in the presentation both of their international and national tariffs.

5 *Financial arrangements between railway administrations as regards international traffic* — The contracting States undertake to facilitate and simplify financial arrangements between the railway administrations of the different countries. The provision of the Convention lay down principles for the division of the money paid or due for international traffic, for the sharing of the responsibilities incurred and for uniformity in the matter of accounts.

6 *General regulations* — The Convention permits of deviations from the provisions of the Statute in cases of emergency affecting the safety of a State or the vital interests of a country. No State is bound to afford transit for passengers whose admission into its territory is forbidden, or for goods of a kind of which the importation is prohibited. Nor is any fresh obligation imposed with regard to the transport of nationals of a non contracting State and their luggage nor of the goods or carriages coming from, or going to, a non contracting State. The Statute does not prescribe the rights and duties of belligerents and neutrals in time of war.

Any dispute which may arise as to the interpretation of this Convention and which cannot be settled amicably, may first be laid before the technical organ of the League of Nations for questions of Communications and Transit. If, however, the dispute cannot thus be settled, the contracting States shall submit it for arbitration, unless they should agree to carry it before the Permanent Court of International Justice. If any questions of international law or of the legal interpretation of the Statute arise during the process of arbitration they shall be laid before the Permanent Court at the request of one of the parties, if the Arbitral Tribunal regards the settlement of the dispute as depending upon these points.

At the expiration of all Treaties at present in force, the contracting States undertake to introduce into the new agreements the changes required to bring them into line with the General Convention.

This Statute does not apply between territories forming part of, or under the protection of, one and the same State.

This Convention was adopted unanimously and signed, at the close of the Conference, by the plenipotentiary delegates of twenty States.

b) Convention on the International Regime of Maritime Ports

The question of a General Convention on the International Regime of Sea Ports was discussed in the first place by the Barcelona Conference when it was decided, for reasons of political expediency, to postpone further steps in the matter. It was brought for the second time before the League Organisation on Communications and Transit by a resolution forwarded by the Governments represented at the Geneva Conference, requesting that a General Convention on the International Regime of Maritime Ports should be drawn up as soon as possible. Under these circumstances the Committee on Communications and Transit prepared the text of a convention of which the greater part was adopted by the second General Conference on Communications and Transit, and was signed by sixteen States.

The basic principles of the Convention are equality of treatment in and freedom of access to, maritime ports for the sea-going vessels of all Contracting Parties. By maritime ports is meant ports normally used for commercial traffic, naval and fishing ports being excluded from the provisions of the Convention.

The contracting States undertake to grant to the nationals, property and flags of other contracting States such rights as they grant to their own nationals, and

perty and flags in all that concern freedom of access to, and the use of, ports, particularly as regards facilities of all kinds, such as berthing, loading and unloading dues and charges of all kinds levied in the name and for the profit of the Government public authorities concessionnaires or establishments of any kind. Dues, charges, and police regulations shall be duly published before coming into force and a record of traffic and regulations shall be open to inspection in the ports by all persons concerned.

In the application of Customs or analogous duties, local octroi or consumption duties levied in respect of the import or export of goods, no distinction shall be made between the flag of any contracting State and that of the State under whose sovereignty the port is placed.

In the absence of special circumstances based on geographical, economic or fiscal considerations, the customs duties levied in maritime ports must not be higher than the levied on the other eastern frontiers of the same State. It is, however, open to the contracting Parties, after notification by diplomatic channels, to withdraw the benefits of the provisions regarding equality of treatment from vessels belonging to any State not applying the provisions of the present convention in its own ports.

The Convention does not in any way apply to maritime coasting trade and does not affect the right of States to organise the towage in their ports as they see fit. It has also no reference to the use of ports by warships, vessels performing police functions or fishing vessels.

The Convention contains moreover provisions of a general order to the effect that no contracting State shall be bound to afford transit for passengers whose admission in its territories is forbidden, or for goods of a kind of which the import is prohibited, each contracting State shall be entitled to take the necessary precautionary measures for the transport of dangerous goods and for public safety, including measures for the control of emigrants.

The contracting Parties undertake, as soon as the circumstances permit, to bring into line with the present Convention international agreements to which they are parties, and which contain provisions contrary to those of the Convention. The rights and duties of belligerents and neutral in time of war are not prescribed by the Convention.

The settlement of disputes arising out of the construction or application of the Convention is provided for in the same way as that of disputes concerning the interpretation of the Convention on the International Regime of Railways.

The Contract was on the Transmission in Transit of Electric Power and the Development of Hydraulic Power on Watercourses forming part of a basin situated in the territory of several States were drawn up as a result of a recommendation of the Barcelona Conference. The Committee on Communications and Transit, after a comprehensive study of the question decided that no advantage could at present be derived from a general examination of the problem. On the other hand it considered that two special questions were ripe for immediate treatment: the transmission in transit of electric power and the development of hydraulic power.

c) Convention on the Transmission in Transit of Electric Power

The text adopted by the second General Conference sets forth certain governing principles destined to further the conclusion of agreements between States concerning the transmission in transit of electric power, and lays down that no special dues or taxes may be levied in respect of such transmission.

The Convention contains moreover a series of provisions which may be included in special agreements between States, with regard to the transmission of electric power. For instance, it lays down that the transit State shall not bear any costs, the interest of the importing and exporting States shall be safeguarded, the methods

adopted to secure the transit shall be based on purely technical considerations and shall not take political frontiers into account

Twelve Governments signed the Convention

d) Convention on the Development of Hydraulic Power

The aim of this Convention is to increase the number of special agreements between States for the development of hydraulic power. It emphasises in the first place the right of each State within the limits of international law to carry out on its own territory any operations for the development of hydraulic power which it may deem desirable, in the second place, it studies cases in which the reasonable development of hydraulic power may require international investigation. It contains a series of provisions with a view to reaching satisfactory solutions, and protecting the interests of States to which the operations for the development of hydraulic power may cause prejudice.

The technical solutions adopted in the agreements shall be based on purely technical considerations. No compulsory procedure for the settlement of disputes arising out of the interpretation and application of the two Conventions on electric power being provided, the contracting Parties are left free to fix by mutual agreement the procedure in each particular case.

The Convention on the Development of Hydraulic Power was signed by eleven Governments.

In his closing speech, Senator Conti outlined as follows the work of the second General Conference.

The Railway Convention, which is destined to be the Magna Charta of the international regime of railways, provides for an international organisation to improve the operation of railway traffic, and it cannot be doubted that the economic world will benefit greatly by the Convention when generally applied.

The Convention on Maritime Ports which lays down the great principle of equality of treatment as regards access to, and the use of, ports, will largely facilitate maritime communication and promote international relations.

The other two Conventions confine themselves to general guiding principles with a view to facilitating the conclusion of agreements between States in regard to the transmission in transit of electric power and the development of hydraulic power on water courses.

The protocols of the four Conventions are open for signature by States represented at the Conference, by Members of the League and by any State to which the Council may transmit copy of the Conventions for that purpose until October 31st, 1924.

The Conference proceeded to the renewal of the Advisory and Technical Committee on Communications and Transit, on which the following States will be represented until the next General Conference.

France, Great Britain, Italy and Japan (in virtue of their position as permanent members of the Council), Austria, Belgium, Chile, China, Colombia, Cuba, Greece, Lithuania, Norway, Poland, Roumania, Salvador, Spain, Venezuela.

4 — THE COMMITTEE ON INTELLECTUAL CO-OPERATION

a) Third Plenary Session

The Third Session of the International Committee on Intellectual Co-operation was held in Paris from December 5th to 8th with Professor Bergson in the

chair. It was preceded by preparatory meetings of the sub-committees on bibliography, intellectual property and inter-university relations.

The Chairman drew attention to the fact that this session of the Committee was of special interest owing to the presence, at five of its sittings, of delegates from the National Committees on Intellectual Co-operation appointed in Central and Eastern European countries (Austria, Bulgaria, Czechoslovakia, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, Poland, Roumania and the Kingdom of the Serbs, Croats and Slovenes).⁽¹⁾ This personal contact allowed the International Committee to gain an insight into the needs of the new European States and the countries with a depreciated exchange. It also gave an opportunity for sketching out the main lines on which collaboration between the International Committee and the National Committee will in future be carried on.

Exchange of Publications — The delegates of the National Committee laid special stress on the difficulty experienced by their universities, libraries and laboratories in obtaining books and other indispensable means of work. In consequence the International Committee decided once more to draw the attention of those countries where intellectual life is normal and prosperous to the hindrances caused by want and distress in the intellectual life and studies of a considerable part of Europe. The Committee appealed to these feelings of solidarity which should unite brain-workers all over the world and invited the delegates to collaborate in the work of intellectual co-operation initiated by the League of Nations.

The Committee intends to try as far as lies in its power, at present unfortunately limited by lack of means, to develop, and above all to regularise, intellectual assistance on a mutual basis. The National Committees of the countries of low exchange have been asked to draw up a list of the most urgent requirements of their higher educational establishments, laboratories and libraries. These lists will be published in the quarterly bulletin of the International Office for University Information, founded by the League of Nations, and will be sent to the National Committees of those countries which have a more favourable exchange or in default of that, to institutions of similar aim.

After examining the question of supplying books and instruments by means of exchange and of gifts through the National Committees the International Committee resumed its study of the probable revision of the 1886 Conventions on the exchange of official publications among States, and asked the Council for authorisation to summon, at some date before the 1924 Assembly of the League, the Conference of Experts recommended by the Assembly of 1921.

This Conference, whose task it would be to collaborate with the Committee on Intellectual Co-operation in drafting the changes advisable in the 1886 Conventions would examine the following points:

- a) Extension of the 1886 Conventions to the countries that have not yet adhered,
- b) Improvement in the working of the Exchange Department established in the various countries as a result of these Conventions
- c) Regular publication of the lists of the official, and possibly also non-official, documents available for the purpose of international exchange,
- d) Free postage for consignments of this nature sent by the States and the scientific and literary institutions concerned,
- e) Encouragement and development of the system of exchange of non-official scientific and literary publications.

Interchange of Students — The International Committee on Intellectual Co-operation also took up with the National Committees the question of the Inter-

(1) See *Monthly Summary*, Vol. III No. 8 p. 275.

change of Students. The University Sub Committee had already made a preliminary study of this problem with the help of delegates from the principal international students' associations (International Confederation of Students, International Federation of Student Christian Associations, International Federation of Women Graduates, Pa. Romana).

The Committee decided to approach the various Ministries of Education and the Higher Schools, in order to discover on what terms they would be prepared to admit the more deserving students of low exchange countries as candidates for bursaries and scholarships. The Governments and higher educational establishments of these countries have also been asked to draw up a restricted list of students specially qualified to be granted scholarships for studying abroad, and note will be taken of the recommendations made by the various national Students' Unions. All informations and suggestions will be published immediately in the Bulletin of the League of Nations International Office of University Information.

The Committee noted the results obtained in the field of intellectual mutual assistance by the International Students' Association, especially by the European Students' Relief Branch of the Universal Federation of Student Christian Associations, and invited the National Committees to get into touch with this organisation. It also was glad to learn that the other international students' federations has associated themselves in this work.

Interchange of Professors and Young Officials connected with Museums, Laboratories and Libraries. — The International Committee decided to centralise in the Quarterly Bulletin of the International Office of University Information all offers of and request for information relating to the interchange of professor and young officials connected with museums, laboratories and libraries. Further each of the National Committees is to endeavour in its jurisdiction, to encourage as much as possible the development of the system of interchange among young officials engaged in museum, laboratories and libraries and above all among professors and lecturers. These latter should be exchanged, not only for short series of lectures but also for courses of lecturing and practical teaching of longer duration.

International Office for University Information. — The International Office for University Information, the establishment of which was voted by the Third Assembly, will begin to function in Geneva on January 1st, 1924. Its scientific and technical management has been entrusted to a provisional committee consisting of Prof. Reynold, of Bern University (Chairman), Mr. Coleman, Director of the continental division of the American University Union in Europe, Prof. de Halacki of Warsaw University and, as the Committee's expert, M. Luchaire, Inspector-General for Public Instruction in France.

The Secretary General of the League will be represented on the Committee by Dr. Nitobe, Professor of Tokio University and Under Secretary General of the League.

The provisional Committee will direct the work of the Office, in accordance with the programme drawn up by the International Committee. It will approve in particular all circulars and other official communications sent out by the Office, as well as the text of the Quarterly Bulletin, the first number of which will appear on January 1st. In collaboration with the directors of the various national university bureaux, it will also draw up the scheme for the internal organisation of the Office, which will come into force when approved by the Plenary Committee.

The Committee has been asked to come to an agreement with the representatives of the International Students' Associations all of which are in favour of establishing the Office, so that as soon as its organisation is completed, permanent contact will be ensured with these Associations and in particular, with the Central Office of the International Students' Confederation.

Inter University Co operation — Although the establishment of the International Office, which will act as a kind of clearing house for all university information, will in time improve the collaboration between universities, the International Committee has nevertheless no intention of interfering with the work of the Governments, national Bureaux or voluntary Societies. On the contrary, its hope is that its work will strengthen and increase the efforts made elsewhere to further intellectual co operation. In particular, it hopes that close contact may be established between information and employment bureaux under state or university patronage and those which are directed by students themselves, and recommends that the agencies for this purpose should receive special attention in the different countries. The Committee was also glad to learn of various other schemes for the promotion of inter university co operation, as, for instance, the institution of an international matriculation card (or else the recognition abroad of existing national matriculation cards).

Restoration of the Literary and Scientific Collections destroyed by the Earthquake in Japan — The Committee on Intellectual Co operation was asked by the Fourth Assembly to examine the best means of restoring the literary and scientific collections destroyed by the earthquake in Japan. At the suggestion of Professor Nitobe (Japanese), Under Secretary General of the League, the Committee decided to centre its efforts on the reconstitution of the foreign collection of the Imperial University Library of Tokio, where 470,000 volumes had been destroyed by fire. A world wide appeal will be made to universities, learned societies and individuals to send books to this Library through the Japanese Embassies and Legations.

Other work done by the Committee — The Committee took note of the work of the three sub committees, which have continued their study of the questions of intellectual property, bibliography and inter university co operation, and adopted a certain number of the proposals submitted. The most important of these was that, in accordance with Mme Curie's motion, the conference for the coordination of analytical bibliography on physics and physical chemistry should be summoned at Brussels for some date shortly after Easter.

b) Resolutions of the Council

On December 13th the Council referred two resolutions passed by the Fourth Assembly to the Committee on Intellectual Co operation, one on the calling of a conference of experts to do the preparatory work necessary in the case of a possible revision of the International Conventions on the exchange of all types of publications, the other on the proposals made by the Spanish Government with regard to certain university questions, including the equivalence of degrees.

Further, the Council decided, in accordance with another Assembly resolution to ask the Governments to give their moral and financial support if they had not already done so, to the National Committee for Intellectual Co operation and to authorities the International Committee to receive funds for this work from any institute or individual that might contribute.

It was further noted by the Council that, owing to the collaboration established between the International Committee on Intellectual Co operation on the one hand and the National Committees on the other, the recommendation of the Fourth Assembly regarding the appointment of additional members to the International Committee was already being carried out. Certain of the members of the National Committee will work with the International Committee in the capacity of foreign correspondents and thus bring about the desired representation of all forms of national culture.

V — Administrative Questions

1 — DANZIG

a) *Re appointment of the High Commissioner*

The term of office of Mr S MacDonnell, High Commissioner of the League at Danzig, which expires on February 22nd, 1924, was prolonged by the Council at its last session until February 22nd, 1925

b) *Depôt for Polish War Material*

The Council, in view of the fact that both the Polish and Danzig Governments were dissatisfied with the present situation in regard to the question of a site for a depot for Polish war material, proceeded at its December session to a new study of the matter. It pointed out, however, that the Decision of the High Commissioner on the subject dated April 7th 1922, must be respected until it had been properly replaced.

This question came before the Council for the first time in 1921 as a consequence of a request by Poland that certain definite steps should be taken to carry out the provision of Article 28 of the Polish Danzig Treaty of November 9th 1920, that "at all times and in all circumstances, Poland shall have the right to import and export via Danzig goods of any kind whatever not prohibited by Polish law." Subsequently, the representatives of Poland and Danzig, agreed, on June 22nd, 1921, that a special site on the banks of the Vistula should be placed at the disposal of the Polish Government for the unloading, temporary storage and dispatch to Poland of war material in transit and that this site should be at a sufficient distance and as isolated as possible from all dwelling houses. Since then it has been a question of finding a site answering this description. The Polish Government complains of the limited space placed at its disposal, and the Danzig Government maintains that the establishment of a depot for war material and explosives in transit anywhere in the vicinity of the city and the port would seriously endanger commerce, industry, shipping and the health of the inhabitants of the town.

Under these circumstances the Council on December 14th after hearing the representatives of Poland and Danzig decided to institute an enquiry and place at the disposal of the parties the services of the League of Nations technical experts. The inquiry will be conducted by a Committee of Experts with special technical knowledge of questions of harbour administration, handling and storing of explosives and munitions, rail transport and navigation. The experts who will be chosen by the President of the League Advisory Committee on Communications and Transit and of the Permanent Advisory Committee for Military, Naval and Air Questions, will prepare a report for submission to the Council. The costs of the enquiry will be borne in equal parts by the Polish and Danzig Governments.

2 — THE SARP BASIN

a) *Prolongation of the term of office of the Chairman and members of the Governing Commission*

As the term of office of the Chairman and the Members of the Sarp Basin Governing Commission expires on February 15th, 1924, the Council decided to prolong

these appointments until March 31st 1924 and to proceed at its March session to the definite appointment of the Governing Commission for the period April 1st, 1924 March 31st, 1925

b) *Discussion concerning the Provisional Picketing Decree*

The question of the Picketing Decree, which had been placed on the agenda of the December session at the request of the British Government, was discussed by the Council on December 15th. Lord Robert Cecil, referring to the Council's resolution of July last which left it to the discretion of the Commission to decide upon the moment when it would be advisable to return to the normal course of law, asked when it would be possible to withdraw the decree.

The Chairman of the Governing Commission, M. Rault, after briefly recalling the circumstances in which the decree had been promulgated, stated that, in his opinion, it was not possible for the moment to withdraw it. M. Hanotaux expressed the view that the question would certainly be reconsidered as soon as circumstances permitted.

3 — MANDATES

Report of the Mandates Commission — The Council at its December meeting made a comprehensive study of the Report of the Permanent Mandates Commission on its third session. Sir Edgar Walton, High Commissioner for the Union of South Africa in London, took part in the discussion as representative of a Mandatory Power, and Lord Robert Cecil as representative of Australia. The Mandates Commission was represented by its President, Marquis Theodor.

The Council observed with satisfaction that the mandated territories were in general administered in accordance with the spirit and letter of Article XXII of the Covenant and with the terms of the Mandates. It decided to communicate to the Mandatory Powers various questions to which the Mandates Commission had drawn attention. Some of the suggestions were made with a view to preventing mandated territories being in a less advantageous position than the colonies of the Mandatory Powers. They concerned such matters as the extension of international conventions to mandated territories, loans, advances, private investments, liberty of conscience, and the welfare of the natives in matters of health and labour conditions. Other suggestions arose out of the particular circumstances of some of the territories and concern the consideration of the desirability of altering the frontier between the British and French Cameroons and of making uniform legislation regarding the import of alcoholic liquor (this applies particularly to African territory under British and French Mandate). The Mandates Commission had also expressed a wish to be supplied with more ample and more detailed information from certain Mandatory Powers as to the financial position of their mandated territories.

The Council gave consideration to the report of the Commission on the Bondelswarts rebellion, and after hearing the explanations of the representative of South Africa and the President of the Commission, the Council noted with satisfaction the renewed assurances given by the representative of the Mandatory Power regarding the steps to be taken for rehabilitating the native of the Bondelswarts district.

VI — Protection of Minorities

Several questions regarding the protection of minorities in Lithuania and Poland were dealt with by the Council at its twenty-seventh session.

1 — MINORITIES IN LITHUANIA

M. Galvanauskas, President of the Lithuanian Council of Ministers, informed the Council of the resolution voted by the Lithuanian Parliament concerning the Lithuanian Government's declaration on the protection of minorities, as well as Article 30 of the Lithuanian constitution to which this resolution referred. The Lithuanian Parliament is of opinion that the declaration in question does not fall within the category of those international acts for which ratification is required by the Constitution and that the Government itself is fully qualified to bind Lithuania within the limits fixed by the declaration. M. Galvanauskas added that his Government took the occasion to renew before the Council its undertaking strictly to conform to the provisions of the declaration of May 12th, 1922.

After noting this statement, the Council expressed its agreement with the Lithuanian Government to consider the minorities declaration signed by the Lithuanian representative on May 12th, 1922 as having now come into force. The Council also decided that the provisions of the declaration in so far as they affected persons belonging to racial, religious or linguistic minorities should be placed under the guarantee of the League of Nations.

2 — MINORITIES IN POLAND

In accordance with the decision of the Council at its foregoing session, the Brazilian representative had entered into negotiations with the Polish Government for the purpose of arriving at a solution of questions relating to the acquisition of Polish nationality and to the position of German settlers in Poland. At its meeting on December 17th, the Brazilian representative informed the Council of information which he had received on both subjects from the Polish Government and the Polish representative, M. Skirmunt, added further data.

With reference to the question of the acquisition of Polish nationality, the Polish Government had communicated a memorandum constituting a programme of negotiations to be conducted by Germany and Poland on points arising out of Article 4 of the Minorities Treaty (acquisition of Polish nationality), as also on those of double and continuous domicile resulting from Article 3 of the same Treaty. The Polish Government stated in its memorandum that these negotiations might take place at Geneva under the auspices of the League of Nations.

As regards the position of Polish subjects of German origin the Polish Government informed the Council that it was anxious to reach a practical solution for the settlement of this affair, "a solution which would not be incompatible with the principle maintained by Poland, and would at the same time recognise the power and authority of the League of Nations."

At the suggestion of a committee composed of the representatives of Brazil, Great Britain and Italy, the Council adopted a resolution which M. Skirmunt agreed to transmit to his Government. In this resolution, the Council expressed its opinion that the question of the German settlers in Poland should be settled on the basis of the advisory opinion given by the Permanent Court of International Justice on September 10th, 1923, with which the Council was in agreement. Since, however, it appeared impossible for practical reasons to re-establish in their properties the settlers who had already been expelled, the Council considered that they should receive from the Polish Government compensation for the losses incurred from the fact that they had not been left in undisturbed possession of such properties and expressed the hope that the Polish Government would be willing to formulate proposals on this basis. Meanwhile the Council took note of the assurance given by the Polish representative that, in every case where expulsion had not been carried out prior to the present date the judgments of the Polish tribunals, providing for expulsion, would not be executed.

The Council requested its committee to continue to deal with the matter and to present a further report at its next meeting.

3 — MUSSULMANS OF ALBANIAN RACE IN GREECE

The Albanian Government had drawn the attention of the Council to the position of Mussulmans of Albanian race in Greece, fearing that they might be included amongst the Mussulmans of Turkish race who come under the terms of the Convention concerning the obligatory exchange of Greek and Turkish populations, signed at Lausanne on January 30 1923.

At the December session of the Council the Greek representative stated, however, that his Government did not intend to include persons of Albanian origin in the exchange.

In these circumstances the Council decided to draw the attention of the Mixed Commission conducting the exchange to the facts brought to its notice and to request the Commission to take note of the information that might be communicated to it by the Albanian Government.

The Council, furthermore, expressed the desire to be kept informed of the measures the Commission might take in connection therewith.

VII — Political Questions

1 — TERRITORY OF MEMEL

The question of Memel referred by the Conference of Ambassadors to the Council under Article XI, § 2, of the Covenant was dealt with at several meetings of the December session of the Council.

On December 15th, the President of the Council, M. Branting, and the French, British and Italian representatives after hearing the President of the Lithuanian Council of Ministers, M. Galvanuskas, emphasised that the fact that this question had been submitted to the Council under Article XI, § 2, of the Covenant did not imply the right to blame or censure, but that the Council's task, under this Article, was essentially one of conciliation.

At a later meeting the Council decided to appoint a commission to investigate the means of solving the difficulties which had arisen on the subject between Powers represented on the Conference of Ambassadors and Lithuania and which concern mainly questions of transit and the organisation of the port of Memel. The commission will have to carry out a comprehensive study of the draft conventions submitted on both sides and of all existing factors which, when known and duly appreciated, may further the solution of the problem; it will then make recommendations to the Council regarding the Statute of Memel.

The commission will be composed as follows:

Three members belonging to nations other than those at present holding sovereignty over Memel, two of which shall be appointed by the Chairman of the Committee for Communications and Transit, and the third who shall be the chairman, shall be appointed by the Council.

The Council's decision has been communicated to the Conference of Ambassadors, in order that that body may, if necessary, transmit to the commission any useful observations.

2 — THE JAWORZYNA QUESTION BEFORE THE COUNCIL

The Advisory Opinion of the Court ⁽¹⁾ was discussed by the Council at its December session, when it was decided to make it the legal basis for the recommendation that the Conference of Ambassadors had requested on this question. The representatives of the interested parties, Poland and Czechoslovakia, also accepted the Court's opinion.

The question which remained to be settled was, therefore, whether the changes proposed by the Delimitation Commission were in accordance with the terms of Article 2 of the decision of the Conference of Ambassadors. The two parties, Poland and Czechoslovakia, being at variance on this subject, the Council was requested to give its opinion.

On December 17th, the Council stated that it considered that the proposals of the Delimitation Commission were based on regard for the interests of the individuals or communities living in the neighbourhood of the frontier line, but that from the point of view of the opinion of the Court, they exceeded the Commission's powers.

In consequence, the Council unanimously decided to ask the Governments represented on the Conference of Ambassadors to invite the Delimitation Commission to furnish fresh proposals in accordance with the opinion of the Court and the findings of the Council, "without prejudice to any changes or arrangements to which both the interested Governments might freely agree".

VIII — Social and Humanitarian Questions

1 — REFUGEES

Russian Refugees. Education and Employment. — A general survey of the position of Russian educational institutions abroad was communicated to the Council on December 11th as part of the effort to ameliorate the conditions of the Russian refugees. The Council also received information with regard to the opportunities offered to Russian refugees for finding remunerative employment in various countries.

a) *Education.* — The number of Russian refugee children and adolescents in various European countries may be estimated at over 100,000, the number of Russian students scattered over Europe being about 10,000. A system of Russian schools for the refugee children, which began about three years ago, has chiefly developed in the countries harbouring the largest number of refugees, namely, the Slav States and countries bordering on the European frontier of Russia. Czechoslovakia and the Serb-Croat-Slovene Kingdom spend nearly 20 million gold francs in supporting and educating Russian refugees, and the greatest number of Russian schools is to be found in these two countries, where the professional training of refugees is also highly developed. Russian schools also exist in Bulgaria, Germany, France, Latvia, Estonia and Poland.

b) *Employment of refugees.* — The adoption of thirty-three Governments of the model identity certificate for Russian refugees recommended by the High Commission has given refugees various facilities for proceeding to other countries where there are possibilities of finding work. The unemployment crisis in almost all

(1) See *Perennial Court of International Justice* in this number.

European countries however renders the task of finding work for refugees extremely difficult. Russian refugees in Europe show a marked tendency to migrate towards France where it is stated all refugees who are intendant anxious to work as labourers can find remunerative employment. The French Government have greatly helped the work of the High Commission by affording generous facilities to Russian immigrants.

The High Commission in co-operation with private relief organisations is at present taking energetic steps to obtain the evacuation to America of a considerable number of Russian refugees now living in Poland, Roumania and Constantinople.

The Council considering that the present situation of the refugees although sensibly improved remained precarious decided to invite the Governments of States Members of the League and other interested Governments to continue to lend the High Commissioner the support and assistance which they had hitherto given him especially as regards the development of the means of general and professional education and the securing of employment for refugees. The Council also urged the Members of the League and other interested Governments to grant the High Commissioner every possible facility to enable the refugees if they so desired to return to their homes.

2. — THE TRAFFIC IN OPIUM

The Report of the last meeting of the Opium Advisory Committee in July (4) was discussed at the Council meeting of December 13th and several necessary and important decisions taken to advance the work of suppression of the dangerous drugs traffic. Amongst these were the preliminary arrangements for the two International Conferences that the Fourth Assembly decided should be called. These two conferences are the outcome of the deliberations of the League Opium Committee during the last three years and also to a considerable degree of the proposal made by the American Delegation which came to Geneva last summer.

The date of the first Conference, on the measures necessary to ensure the gradual suppression of opium smoking in the Far East was definitely fixed by the Council for November 3rd 1924 and the date of the other on the limitation to medical needs of the manufacture of opium alkaloids and cocaine and the production of opium and coca leaves for November 17th. At its former meeting the Council had proposed July as a suitable month but certain members of the Council felt that a longer preparatory period would allow fuller statistics to be obtained for the information of the Conference. The Council further decided that all Members of the League or Parties to the Convention of 1912 should be invited to the second conference in order to ensure a wide application of the agreements reached.

The Advisory Committee on Opium was requested to appoint at once a preparatory committee to draw up the programme for the larger conference on the manufacture of alkaloids. This Committee is to consist of six members including a representative of the United States and the two European assessors on the Advisory Committee. The Secretary General was asked to invite suggestions from the governments regarding the preparation of the programme of the Conference.

The Council also took action on several other resolutions passed by the Fourth Assembly on the opium problem. It instructed the Secretary General to communicate with the governments on the subject of the suppression of heroin consignments of narcotics in bonded warehouses publication regarding seizures of contraband drugs and increased penalties for illicit traffic. It requested the Opium Advisory Committee to continue its examination of the question of how best to extend the League system of import and export certificates over as wide a field as possible.

3 — THE TRAFFIC IN WOMEN AND CHILDREN

At its meeting of December 14th, the Council took action on various resolutions passed by the Fourth Assembly on the Suppression of the Traffic in Women and Children⁽¹⁾. The Secretary General was requested to draw the attention of the Mandatory Powers to the fact that the provisions of the International Convention of 1921 are not at present applied to certain mandated territories and to invite them to make special mention of this matter in their annual reports. The Council endorsed the resolution regarding the proposed enquiry into the conditions under which the traffic in women is carried on, and authorised the Secretary General to invite the governments concerned to give the experts full facilities for the performance of their task. Similarly, the Council decided that governments should be informed of the Assembly's proposal that the Advisory Committee consider the advisability of asking for official information on the precautions taken by governments permitting State regulation of prostitution to prevent the inmates of licensed houses being the victims of the traffic in women.

The Council also noted the Assembly's resolution that States that have not ratified, or adhered to, the International Convention of 1921 should be asked to inform the League of the reasons for which they have not done so. In the course of the meeting, the Council learnt that, of the thirty-three States that signed the Convention, only sixteen⁽²⁾ had so far ratified it (Australia, Austria, Belgium, Canada, Cuba, Czechoslovakia, British Empire, Greece, India, Netherlands, New Zealand, Norway, Portugal, Roumania, Siam, South Africa), and that three States had adhered (Denmark, Finland, Panama). The Council therefore decided to invite the remaining States to inform the League of the circumstances that had prevented their ratification of, or adherence to, this Convention.

4 — THE QUESTION OF SLAVERY

On December 11th the Council decided a part of the study of the slavery question entrusted to it by the Assembly, to ask States on whose territory or colonial possessions slavery has previously existed to communicate to it certain information on this question, as, for instance, what legislative, administrative or other measures have been adopted for the suppression of slavery and what have been their results from both the social and economic points of view.

The Council furthermore decided to ask these States whether they saw any objection to designating some institution or person able to supply further reliable and pertinent information on the question of slavery, any such information could be transmitted through the Government to the Secretariat.

The question as to what organisation should finally be entrusted with conducting an enquiry into the question of slavery was postponed to the March session.

5 — THE CONVENTION ON OBSCENE PUBLICATIONS

When the International Conference on Obscene Publications was held at Geneva in September⁽³⁾, a Convention was drawn up which any Member of the League of Nations or any State represented at the Conference was entitled to sign. It was left however to the Council to extend this right to any other State it might choose.

(1) See *Monthly Summary*, Vol. III, No. 3, p. 204.

(2) Since this meeting of the Council information has been received that Hungary has also ratified the Convention of 1921.

(3) See *Monthly Summary*, Vol. III, No. 9, p. 4.

In view of the desirability of the provisions of this Convention being applied by as many States as possible, the Council decided, on December 10th, to send copies of the Convention and the Final Act to Afghanistan, Danzig, Egypt, Ecuador, Germany, Hedjaz, Iceland, Lichtenstein, Mexico, Russia, San Marino and Turkey with an invitation to sign the Convention before March 31st, 1924 or to adhere to it after that date.

IX — Forthcoming Events

January 16th	Meeting of Hungarian Committee of Council, London
January 18th	Meeting of Special Commission of Jurists, Geneva
January 10th	Meeting of the Governing Body of the International Labour Office, Geneva
January 30th	Meeting of the Allocation Committee, Geneva
February (date not yet fixed)	Meeting of the Temporary Mixed Commission for the Reduction of Armaments
February	» Naval Conference for the extension of the principles of the Washington Treaty to Non Member States
February 11th	Meeting of the Health Committee, Geneva
February 25th	Eleventh Session of the Economic Committee, Geneva
March 10th	Twenty eighth Session of the Council
March 24th	Third Session of the Committee of Government Experts on Double Taxation and Fiscal Evasion, Geneva.
May 5th	Meeting of Experts on Unfair Competition, Geneva
May 12th	Twelfth Session of the Economic Committee, Geneva

BRUSSELS FINANCIAL CONFERENCE 1920

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ON

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(PERIOD AUGUST 15TH — SEPTEMBER 15TH 1923)

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REPORT

ON THE

RECONSTRUCTION

OF THE

AUSTRIAN STATE RAILWAYS

By Sir WILLIAM ACWORTH, K. C. S. I. assisted by Dr. ROBERT HEPOLD,
Director of the Railway Section of the Swiss Federal Department of Railways Posts and Telegraphs
With a Preface by Dr. A. R. ZIMMERMAN Commissioner General of the League of Nations for Austria

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